1

A bill to be entitled

2 An act relating to community development districts; 3 amending s. 190.003, F.S.; defining the term "compact, 4 urban, mixed-use district"; amending s. 190.006, F.S.; 5 providing for application of certain board of supervisors 6 election time periods to compact, urban, mixed-use 7 districts; providing for retroactive application; amending 8 ss. 190.005, 190.011, 190.016, 190.021, and 348.968, F.S.; 9 conforming cross-references; amending s. 190.012, F.S.; 10 revising deed restriction enforcement rulemaking authority of boards of directors of community development districts; 11 authorizing certain property owners to elect a district 12 board advisor; providing advisor responsibilities; 13 14 providing requirements for district board advisor review 15 and recommendations relating to enforcement of the 16 district rules outside the boundaries of the district; requiring creation of a district board advisor seat after 17 an interlocal agreement is entered into; providing for 18 19 election of the advisor and the term of office; providing 20 election procedures and requirements; amending s. 190.046, 21 F.S.; revising procedures and requirements to amend the 22 boundaries of a community development district; revising 23 procedures and requirements to merge community development 24 districts; providing limitations; providing for petition 25 filing fees; preserving rights of creditors, liens upon 26 property, and claims and pending actions or proceedings; 27 providing an effective date.

28

Page 1 of 19

CODING: Words stricken are deletions; words <u>underlined</u> are additions.

201	Do It Encoted by the Ionicleture of the State of Elevide.
29	Be It Enacted by the Legislature of the State of Florida:
30	Section 1. Subsections (7) through (21) of section
31	190.003, Florida Statutes, are renumbered as subsections (8)
32	through (22), respectively, and a new subsection (7) is added to
33	that section to read:
34	190.003 DefinitionsAs used in this chapter, the term:
35	(7) "Compact, urban, mixed-use district" means a district
36	located within a municipality and within a community
37	redevelopment area created pursuant to s. 163.356, that consists
38	of a maximum of 75 acres, and has development entitlements of at
39	least 400,000 square feet of retail development and 500
40	residential units.
41	Section 2. Paragraph (a) of subsection (3) of section
42	190.006, Florida Statutes, is amended to read:
43	190.006 Board of supervisors; members and meetings
44	(3)(a)1. If the board proposes to exercise the ad valorem
45	taxing power authorized by s. 190.021, the district board shall
46	call an election at which the members of the board of
47	supervisors will be elected. Such election shall be held in
48	conjunction with a primary or general election unless the
49	district bears the cost of a special election. Each member shall
50	be elected by the qualified electors of the district for a term
51	of 4 years, except that, at the first such election, three
52	members shall be elected for a period of 4 years and two members
53	shall be elected for a period of 2 years. All elected board
54	members must be qualified electors of the district.
55	2.a. Regardless of whether a district has proposed to levy
56	ad valorem taxes, commencing 6 years after the initial
I	Page 2 of 19

CODING: Words stricken are deletions; words <u>underlined</u> are additions.

57 appointment of members or, for a district exceeding 5,000 acres 58 in area or for a compact, urban, mixed-use district, 10 years 59 after the initial appointment of members, the position of each 60 member whose term has expired shall be filled by a qualified 61 elector of the district, elected by the qualified electors of the district. However, for those districts established after 62 63 June 21, 1991, and for those existing districts established after December 31, 1983, which have less than 50 qualified 64 65 electors on June 21, 1991, sub-subparagraphs b. and d. shall 66 apply. If, in the 6th year after the initial appointment of 67 members, or 10 years after such initial appointment for districts exceeding 5,000 acres in area or for a compact, urban, 68 69 mixed-use district, there are not at least 250 qualified 70 electors in the district, or for a district exceeding 5,000 acres or for a compact, urban, mixed-use district, there are not 71 72 at least 500 qualified electors, members of the board shall 73 continue to be elected by landowners.

74 After the 6th or 10th year, once a district reaches 250 b. 75 or 500 qualified electors, respectively, then the positions of 76 two board members whose terms are expiring shall be filled by 77 qualified electors of the district, elected by the qualified 78 electors of the district for 4-year terms. The remaining board 79 member whose term is expiring shall be elected for a 4-year term by the landowners and is not required to be a qualified elector. 80 Thereafter, as terms expire, board members shall be qualified 81 electors elected by qualified electors of the district for a 82 83 term of 4 years.

```
84
```

c. Once a district qualifies to have any of its board Page 3 of 19

CODING: Words stricken are deletions; words underlined are additions.

85 members elected by the qualified electors of the district, the 86 initial and all subsequent elections by the qualified electors 87 of the district shall be held at the general election in 88 November. The board shall adopt a resolution if necessary to 89 implement this requirement when the board determines the number 90 of qualified electors as required by sub-subparagraph d., to 91 extend or reduce the terms of current board members.

92 d. On or before June 1 of each year, the board shall 93 determine the number of qualified electors in the district as of 94 the immediately preceding April 15. The board shall use and rely 95 upon the official records maintained by the supervisor of elections and property appraiser or tax collector in each county 96 97 in making this determination. Such determination shall be made 98 at a properly noticed meeting of the board and shall become a part of the official minutes of the district. 99

Section 3. <u>The amendment to s. 190.006</u>, Florida Statutes, <u>made by this act shall apply retroactively to districts</u> <u>established prior to July 1, 2009</u>.

103Section 4. Paragraph (a) of subsection (1) of section104190.005, Florida Statutes, is amended to read:

190.005 Establishment of district.--

(1) The exclusive and uniform method for the establishment of a community development district with a size of 1,000 acres or more shall be pursuant to a rule, adopted under chapter 120 by the Florida Land and Water Adjudicatory Commission, granting a petition for the establishment of a community development district.

112

105

(a) A petition for the establishment of a community Page 4 of 19

CODING: Words stricken are deletions; words underlined are additions.

113 development district shall be filed by the petitioner with the 114 Florida Land and Water Adjudicatory Commission. The petition 115 shall contain:

116 1. A metes and bounds description of the external 117 boundaries of the district. Any real property within the external boundaries of the district which is to be excluded from 118 119 the district shall be specifically described, and the last known address of all owners of such real property shall be listed. The 120 121 petition shall also address the impact of the proposed district 122 on any real property within the external boundaries of the 123 district which is to be excluded from the district.

2. The written consent to the establishment of the 124 125 district by all landowners whose real property is to be included 126 in the district or documentation demonstrating that the 127 petitioner has control by deed, trust agreement, contract, or 128 option of 100 percent of the real property to be included in the 129 district, and when real property to be included in the district 130 is owned by a governmental entity and subject to a ground lease 131 as described in s. $190.003(14) \cdot (13)$, the written consent by such 132 governmental entity.

3. A designation of five persons to be the initial members
of the board of supervisors, who shall serve in that office
until replaced by elected members as provided in s. 190.006.

136

4. The proposed name of the district.

137 5. A map of the proposed district showing current major
138 trunk water mains and sewer interceptors and outfalls if in
139 existence.

140

 Based upon available data, the proposed timetable for Page 5 of 19

CODING: Words stricken are deletions; words underlined are additions.

141 construction of the district services and the estimated cost of 142 constructing the proposed services. These estimates shall be 143 submitted in good faith but shall not be binding and may be 144 subject to change.

145 7. A designation of the future general distribution, 146 location, and extent of public and private uses of land proposed 147 for the area within the district by the future land use plan element of the effective local government comprehensive plan of 148 149 which all mandatory elements have been adopted by the applicable 150 general-purpose local government in compliance with the Local 151 Government Comprehensive Planning and Land Development 152 Regulation Act.

153 8. A statement of estimated regulatory costs in accordance154 with the requirements of s. 120.541.

155 Section 5. Paragraph (b) of subsection (7) of section156 190.011, Florida Statutes, is amended to read:

157 190.011 General powers.--The district shall have, and the 158 board may exercise, the following powers:

(7)

159

(b) When real property in the district is owned by a governmental entity and subject to a ground lease as described in s. 190.003(<u>14</u>)(13), to collect ground rent from landowners pursuant to a contract with such governmental entity and to contract with the county tax collector for collection of such ground rent using the procedures authorized in s. 197.3631, other than the procedures contained in s. 197.3632.

Section 6. Subsection (2) of section 190.016, FloridaStatutes, is amended to read:

Page 6 of 19

CODING: Words stricken are deletions; words underlined are additions.

169

190.016 Bonds.--

170 (2)AUTHORIZATION AND FORM OF BONDS. -- Any general 171 obligation bonds, benefit bonds, or revenue bonds may be authorized by resolution or resolutions of the board which shall 172 173 be adopted by a majority of all the members thereof then in 174 office. Such resolution or resolutions may be adopted at the 175 same meeting at which they are introduced and need not be published or posted. The board may, by resolution, authorize the 176 177 issuance of bonds and fix the aggregate amount of bonds to be 178 issued; the purpose or purposes for which the moneys derived 179 therefrom shall be expended, including, but not limited to, 180 payment of costs as defined in s. 190.003(8)(7); the rate or rates of interest, in compliance with s. 215.84; the 181 182 denomination of the bonds; whether or not the bonds are to be 183 issued in one or more series; the date or dates of maturity, 184 which shall not exceed 40 years from their respective dates of 185 issuance; the medium of payment; the place or places within or 186 without the state where payment shall be made; registration 187 privileges; redemption terms and privileges, whether with or without premium; the manner of execution; the form of the bonds, 188 189 including any interest coupons to be attached thereto; the 190 manner of execution of bonds and coupons; and any and all other 191 terms, covenants, and conditions thereof and the establishment 192 of revenue or other funds. Such authorizing resolution or resolutions may further provide for the contracts authorized by 193 s. 159.825(1)(f) and (g) regardless of the tax treatment of such 194 bonds being authorized, subject to the finding by the board of a 195 196 net saving to the district resulting by reason thereof. Such

Page 7 of 19

CODING: Words stricken are deletions; words <u>underlined</u> are additions.

211

197 authorizing resolution may further provide that such bonds may 198 be executed in accordance with the Registered Public Obligations 199 Act, except that bonds not issued in registered form shall be 200 valid if manually countersigned by an officer designated by 201 appropriate resolution of the board. The seal of the district may be affixed, lithographed, engraved, or otherwise reproduced 202 203 in facsimile on such bonds. In case any officer whose signature 204 shall appear on any bonds or coupons shall cease to be such 205 officer before the delivery of such bonds, such signature or facsimile shall nevertheless be valid and sufficient for all 206 207 purposes the same as if he or she had remained in office until 208 such delivery.

209 Section 7. Subsection (10) of section 190.021, Florida 210 Statutes, is amended to read:

190.021 Taxes; non-ad valorem assessments.--

212 (10) LAND OWNED BY GOVERNMENTAL ENTITY .-- Except as 213 otherwise provided by law, no levy of ad valorem taxes or non-ad 214 valorem assessments under this chapter, or chapter 170, chapter 215 197, or otherwise, by a board of a district on property of a governmental entity that is subject to a ground lease as 216 217 described in s. $190.003(14) \cdot (13)$, shall constitute a lien or 218 encumbrance on the underlying fee interest of such governmental 219 entity.

220 Section 8. Paragraph (g) of subsection (2) of section 221 348.968, Florida Statutes, is amended to read:

222 348.968 Purposes and powers.--

(2) The authority is granted, and shall have and may exercise, all powers necessary, appurtenant, convenient, or
Dece 9 of 10

Page 8 of 19

CODING: Words stricken are deletions; words underlined are additions.

hb0821-02-c2

225 incidental to the carrying out of said purposes, including, but 226 not limited to, the following rights and powers:

227 To borrow money and make and issue bonds, which bonds (a) 228 may be issued pursuant to the State Bond Act or, in the 229 alternative, pursuant to the provisions of s. 348.969(2), in 230 either case, for any purpose of the authority authorized, 231 including the financing of all or part of the cost, as specified 232 in s. 190.003(8)(7), of all or any part of the system and the 233 refunding of any and all previous issues of bonds of the 234 authority at or prior to maturity.

235 Section 9. Subsection (4) of section 190.012, Florida 236 Statutes, is amended to read:

237 190.012 Special powers; public improvements and community 238 facilities.--The district shall have, and the board may exercise, subject to the regulatory jurisdiction and permitting 239 240 authority of all applicable governmental bodies, agencies, and 241 special districts having authority with respect to any area 242 included therein, any or all of the following special powers 243 relating to public improvements and community facilities 244 authorized by this act:

245 (4) (a) To adopt rules necessary for the district to 246 enforce certain deed restrictions pertaining to the use and 247 operation of real property within the district and outside the 248 district if pursuant to an interlocal agreement under chapter 163 if within another district or, if not within another 249 250 district, with the consent of the county or municipality in 251 which the deed restriction enforcement is proposed to occur. For 252 the purpose of this subsection, the term "deed restrictions" Page 9 of 19

CODING: Words stricken are deletions; words <u>underlined</u> are additions.

253 means are those covenants, conditions, and restrictions, 254 compliance mechanisms, and enforcement remedies contained in any 255 applicable declarations of covenants and restrictions that 256 govern the use and operation of real property within the 257 district and, for which covenants, conditions, and restrictions, 258 there is no homeowners' association or property owner's 259 association having respective enforcement powers unless, with 260 respect to a homeowners' association whose board is under member 261 control, the association and the district agree in writing to 262 enforcement by the district. The district may adopt by rule all 263 or certain portions of the deed restrictions that:

1. Relate to limitations, or prohibitions, compliance mechanisms, or enforcement remedies that apply only to external appearances or uses structures and are deemed by the district to be generally beneficial for the district's landowners and for which enforcement by the district is appropriate, as determined by the district's board of supervisors; or

270 2. Are consistent with the requirements of a development271 order or regulatory agency permit.

(b) The board may vote to adopt such rules only when allof the following conditions exist:

274 1. The district's geographic area contains no homeowners' 275 associations as defined in s. 720.301(9);

276 <u>1.2.</u> The district was in existence on the effective date 277 of this subsection, or is located within a development that 278 consists of multiple developments of regional impact and a 279 Florida Quality Development. \div

280 <u>2.3.</u> For residential districts, the majority of the board Page 10 of 19

CODING: Words stricken are deletions; words <u>underlined</u> are additions.

hb0821-02-c2

281 has been elected by qualified electors pursuant to the 282 provisions of s. 190.006.; and 283 3. For residential districts, less than 25 percent of 284 residential units are in a homeowners' association. 285 The declarant in any applicable declarations of 4. 286 covenants and restrictions has provided the board with a written 287 agreement that such rules may be adopted. A memorandum of the 288 agreement shall be recorded in the public records. 289 (C) Within 60 days after such rules take effect, the 290 district shall record a notice of rule adoption stating 291 generally what rules were adopted and where a copy of the rules 292 may be obtained. Districts may impose fines for violations of 293 such rules and enforce such rules and fines in circuit court 294 through injunctive relief. 295 The owners of property located outside the boundary of (d) 296 the district shall elect an advisor to the district board 297 pursuant to paragraph (e). The sole responsibilities of the 298 district board advisor are to review enforcement actions 299 proposed by the district board against properties located 300 outside the district and make recommendations relating to those 301 proposed actions. Before the district board may enforce its 302 rules against any owner of property located outside the 303 district, the district board shall request the district board 304 advisor to make a recommendation on the proposed enforcement 305 action. The district board advisor must render a recommendation 306 within 30 days after receiving a request from the district board 307 or is deemed to have no objection to the district board's 308 proposed decision or action.

Page 11 of 19

CODING: Words stricken are deletions; words underlined are additions.

309 (e)1. Whenever an interlocal agreement is entered into 310 pursuant to paragraph (a), a district board advisor seat shall 311 be created for one elected landowner whose property is within 312 the jurisdiction of the governmental entity entering into the 313 interlocal agreement but not within the boundaries of the 314 district. The district board advisor shall be elected by 315 landowners whose land is subject to enforcement by the district 316 but whose land is not within the boundaries of the district. The 317 district board advisor shall be elected for a 2-year term. The 318 first election for a district board advisor shall be within 90 319 days after the effective date of the interlocal agreement 320 between the district and the government entity. 321 The election of the district board advisor shall occur 2. 322 at a meeting of eligible landowners. The district shall publish 323 notice of the meeting and election once a week for 2 consecutive 324 weeks in a newspaper of general circulation in the area of the 325 parties to the interlocal agreement. The notice must include 326 instructions on how all landowners may participate in the 327 election and how to obtain a proxy form. The last day of 328 publication may not be less than 14 days or more than 28 days 329 before the date of the election. The landowners, when assembled 330 at the meeting, shall organize by electing a chair who shall 331 conduct the meeting. The chair may be any person present at the 332 meeting. If the chair is a landowner or proxy holder of a 333 landowner, he or she may nominate candidates and make and second 334 motions. 335 3. At the meeting, each landowner is entitled to cast one 336 vote per acre of land owned by him or her and located within the

Page 12 of 19

CODING: Words stricken are deletions; words <u>underlined</u> are additions.

337	district for each person to be elected. A landowner may vote in
338	person or by proxy in writing. Each proxy must be signed by one
339	of the legal owners of the property for which the vote is cast
340	and must contain the typed or printed name of the individual who
341	signed the proxy; the street address, legal description of the
342	property, or tax parcel identification number; and the number of
343	authorized votes. If the proxy authorizes more than one vote,
344	each property must be listed and the number of acres of each
345	property must be included. The signature on a proxy need not be
346	notarized. A fraction of an acre shall be treated as 1 acre,
347	entitling the landowner to one vote with respect thereto. For
348	purposes of determining voting interests, platted lots shall be
349	counted individually and rounded up to the nearest whole acre.
350	The acreage of platted lots may not be aggregated for purposes
351	of determining the number of voting units held by a landowner or
352	a landowner's proxy.
353	4. If a vacancy occurs in the district advisor seat, a
354	special landowner election shall be held within 60 days after
355	the vacancy using the notice, proxy, and acreage voting
356	provisions of this subsection.
357	Section 10. Subsections (1) and (3) of section 190.046,
358	Florida Statutes, are amended to read:
359	190.046 Termination, contraction, or expansion of
360	district
361	(1) <u>A landowner or</u> the board may petition to contract or
362	expand the boundaries of a community development district in the
363	following manner:
364	(a) The petition shall contain the same information
I	Page 13 of 19

CODING: Words stricken are deletions; words <u>underlined</u> are additions.

365 required by s. 190.005(1)(a)1. and 8. In addition, if the 366 petitioner seeks to expand the district, the petition shall 367 describe the proposed timetable for construction of any district 368 services to the area, the estimated cost of constructing the 369 proposed services, and the designation of the future general 370 distribution, location, and extent of public and private uses of 371 land proposed for the area by the future land use plan element 372 of the adopted local government local comprehensive plan. If the 373 petitioner seeks to contract the district, the petition shall 374 describe what services and facilities are currently provided by 375 the district to the area being removed, and the designation of 376 the future general distribution, location, and extent of public and private uses of land proposed for the area by the future 377 378 land element of the adopted local government comprehensive plan.

379 For those districts initially established by county (b) 380 ordinance, the petition for ordinance amendment shall be filed 381 with the county commission. If the land to be included or 382 excluded is, in whole or in part, within the boundaries of a 383 municipality, then the county commission shall not amend the 384 ordinance without municipal approval. A public hearing shall be 385 held in the same manner and with the same public notice as other 386 ordinance amendments. The county commission shall consider the 387 record of the public hearing and the factors set forth in s. 388 190.005(1)(e) in making its determination to grant or deny the petition for ordinance amendment. 389

390 (c) For those districts initially established by municipal
391 ordinance pursuant to s. 190.005(2)(e), the municipality shall
392 assume the duties of the county commission set forth in

Page 14 of 19

CODING: Words stricken are deletions; words <u>underlined</u> are additions.

393 paragraph (b); however, if any of the land to be included or 394 excluded, in whole or in part, is outside the boundaries of the 395 municipality, then the municipality shall not amend its 396 ordinance without county commission approval.

(d)1. For those districts initially established by administrative rule pursuant to s. 190.005(1), the petition shall be filed with the Florida Land and Water Adjudicatory Commission.

401 2. Prior to filing the petition, the petitioner shall pay 402 a filing fee of \$1,500, to the county if the district or the 403 land to be added or deleted from the district is located within 404 an unincorporated area or to the municipality if the district or the land to be added or deleted is located within an 405 406 incorporated area, and to each municipality the boundaries of 407 which are contiguous with or contain all or a portion of the land within or to be added to or deleted from the external 408 409 boundaries of the district or the proposed amendment, and submit 410 a copy of the petition to the county and to each such 411 municipality. The petitioner shall submit a copy of the petition 412 to the same entities entitled to receive the filing fee. In 413 addition, if the district is not the petitioner, the petitioner 414 shall file the petition with the district board of supervisors. 415 Each The county and each municipality shall have the 3. option of holding a public hearing as provided by s. 416 190.005(1)(c). However, the such public hearing shall be limited 417

418 to consideration of the contents of the petition and whether the 419 petition for amendment should be supported by the county or

420 municipality.

Page 15 of 19

CODING: Words stricken are deletions; words <u>underlined</u> are additions.

421 The district board of supervisors shall, in lieu of a 4. 422 hearing officer, hold the local public hearing provided for by 423 s. 190.005(1)(d). This local public hearing shall be noticed in 424 the same manner as provided in s. 190.005(1)(d). Within 45 days 425 of the conclusion of the hearing, the district board of 426 supervisors shall transmit to the Florida Land and Water 427 Adjudicatory Commission the full record of the local hearing, the transcript of the hearing, any resolutions adopted by the 428 429 local general-purpose governments, and its recommendation 430 whether to grant the petition for amendment. The commission 431 shall then proceed in accordance with s. 190.005(1)(e).

432 5. A rule amending a district boundary shall describe the433 land to be added or deleted.

434 (e) In all cases, written consent of all the landowners
435 whose land is to be added to or deleted from the district shall
436 be required. The filing of the petition for expansion or
437 contraction by the district board of supervisors shall
438 constitute consent of the landowners within the district other
439 than of landowners whose land is proposed to be added to or
440 removed from the district.

441 (e) (f) During the existence of a district initially 442 established by administrative rule, the process petitions to 443 amend the boundaries of the district pursuant to paragraphs (a)-444 (d) $\frac{(a)-(c)}{(a)-(c)}$ shall not permit be limited to a cumulative net total greater of no more than 10 percent of the land in the 445 446 initial district, and in no event greater shall all such 447 petitions to amend the boundaries ever encompass more than a 448 total of 250 acres on a cumulative net basis.

Page 16 of 19

CODING: Words stricken are deletions; words <u>underlined</u> are additions.

449 2. During the existence of a district For districts 450 initially established by county or municipal ordinance, the 451 process to amend the boundaries of the district pursuant to 452 paragraphs (a)-(d) limitation provided by this paragraph shall 453 not permit be a cumulative net total greater of no more than 50 454 percent of the land in the initial district, and in no event 455 greater shall all such petitions to amend the boundaries ever 456 encompass more than a total of 500 acres on a cumulative net 457 basis. 458 3. Boundary expansions for districts initially established 459 by county or municipal ordinance shall follow the procedure set 460 forth in paragraph (b) or paragraph (c). (f) (g) Petitions to amend the boundaries of the district 461 462 that which exceed the amount of land specified in paragraph (e) 463 (f) shall be processed in accordance with s. 190.005, and the 464 petition shall include only the elements set forth in s. 190.005(1)(a)1. and 5.-8. and the consent required by paragraph 465 466 (q) considered petitions to establish a new district and shall 467 follow all of the procedures specified in s. 190.005. However, 468 the resulting administrative rule or ordinance may only amend 469 the boundaries of the district and may not establish a new 470 district or cause a new 6-year or 10-year period to begin 471 pursuant to s. 190.006(3)(a)2. The filing fee for such 472 petitions shall be as set forth in s. 190.005(1)(b) and (2), as 473 applicable. (g) In all cases of a petition to amend the boundaries of 474 475 a district, the filing of the petition by the district board of 476 supervisors constitutes consent of the landowners within the

Page 17 of 19

CODING: Words stricken are deletions; words underlined are additions.

477 district. In all cases, written consent of those landowners 478 whose land is to be added to or deleted from the district as 479 provided in s. 190.005(1)(a)2. is required. 480 The district may merge with other community (3) 481 development districts upon filing a petition for merger, which 482 petition shall include the elements set forth in s. 190.005(1) 483 and which shall be evaluated using the criteria set forth in s. 190.005(1)(e). The filing fee shall be as set forth in s. 484 190.005(1)(b). In addition, the petition shall state whether a 485 486 new district is to be established or whether one district shall be the surviving district. The district establishment of a 487 488 community development district pursuant to s. 190.005 or may 489 merge with any other special districts upon filing a petition 490 for establishment of a community development district pursuant 491 to s. 190.005. The government formed by a merger involving a 492 community development district pursuant to this section shall 493 assume all indebtedness of, and receive title to, all property 494 owned by the preexisting special districts, and the rights of 495 creditors and liens upon property shall not be impaired by such merger. Any claim existing or action or proceeding pending by or 496 497 against any district that is a party to the merger may be 498 continued as if the merger had not occurred, or the surviving 499 district may be substituted in the proceeding for the district 500 that ceased to exist. Prior to filing the said petition, the districts desiring to merge shall enter into a merger agreement 501 and shall provide for the proper allocation of the indebtedness 502 so assumed and the manner in which such said debt shall be 503 504 retired. The approval of the merger agreement and the petition

Page 18 of 19

CODING: Words stricken are deletions; words <u>underlined</u> are additions.

hb0821-02-c2

505 by the board of supervisors elected by the electors of the 506 district shall constitute consent of the landowners within the 507 district.

508

Section 11. This act shall take effect July 1, 2009.

Page 19 of 19

CODING: Words stricken are deletions; words <u>underlined</u> are additions.