By the Committee on Budget

A bill to be entitled
An act relating to the water management districts; creating s. 373.502, F.S.; providing requirements with respect to revenues received by each water management district and the unexpended balances of a district’s local account; requiring that each district’s expenditure of funds be as provided in the General Appropriations Act; providing for a contingency if a court finds such restriction to be invalid; amending s. 373.503, F.S.; providing that the Legislature may annually set the amount of revenue a district may raise through its ad valorem tax authority; prohibiting a district from imposing ad valorem taxes if the Legislature does not set the amount of revenue; amending s. 373.536, F.S.; changing the districts’ fiscal year; revising provisions relating to the development of district budgets and review by the Executive Office of the Governor and Legislature; requiring that each district make budget information available to the public through the district’s website; amending s. 403.891, F.S., relating to the Water Protection and Sustainability Program Trust Fund; conforming provisions to changes made by the act; amending ss. 373.026, 373.036, 373.707, and 373.709, F.S.; conforming cross-references; specifying the district millage rate during those months that the districts are in transition to a new fiscal year and capping the amount of revenues that may be collected; providing that each district may expend funds until
its final budget is approved; appropriating all prior
year incurred obligations; providing for future
expiration; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Section 373.502, Florida Statutes, is created to
read:

373.502 District local account appropriations.—
(1) Effective October 1, 2011, all revenues received by a
water management district, and all unexpended balances in a
district’s local accounts as of September 30, 2011, are
considered deposited into the Water Protection and
Sustainability Program Trust Fund and appropriated to the
appropriate local account of the water management district based
upon the original source of the revenues. Expenditure of these
funds by a district must be in accordance with the laws, rules,
grant agreements, or other legal controlling factors associated
with all revenues appropriated to local accounts and included in
the district’s budget. Each district is responsible for the
payment of outstanding debts or obligations associated with
these funds.

(2) Any appropriation provided in the General
Appropriations Act from the Water Protection and Sustainability
Program Trust Fund is the named district’s budget authority to
expend revenues that are carried forward from the prior fiscal
year and collected during the current fiscal year. The
expenditure of funds from a district’s local accounts may not
exceed the authority provided in the General Appropriations Act
unless approved pursuant to chapter 216. If a court finds that
this restriction is invalid, the moneys described in this
section shall be deposited into the State Treasury.

Section 2. Subsections (3), (4), and (5) of section
373.503, Florida Statutes, are amended to read:

373.503 Manner of taxation.—
    (3) (a) The districts may levy ad valorem taxes on property
within the district solely for the purposes of this chapter and
of chapter 252, 1949, Laws of Florida, as amended, and chapter
61-691, Laws of Florida, as amended. The authority to levy ad
valorem taxes as provided in this act shall commence with the
year 1977. However, the taxes levied for 1977 by the governing
boards pursuant to this section shall be prorated to ensure that
no such taxes will be levied for the first 4 days of the tax
year, which days will fall prior to the effective date of the
amendment to s. 9(b), Art. VII of the State Constitution, which
was approved March 9, 1976. If when appropriate, taxes levied by
each governing board may be separated by the governing board
into a millage necessary for the purposes of the district and a
millage necessary for financing basin functions specified in s.
373.0695. Beginning with the taxing year 1977, and

(a) Notwithstanding the provisions of any other general or
special law to the contrary, and subject to subsection (4), the
maximum total millage rate for district and basin purposes shall
be:

1. Northwest Florida Water Management District: 0.05 mill.
2. Suwannee River Water Management District: 0.75 mill.
4. Southwest Florida Water Management District: 1.0 mill.
5. South Florida Water Management District: 0.80 mill.

(b) The apportionment in the South Florida Water Management District shall be a maximum of 40 percent for district purposes and a maximum of 60 percent for basin purposes, respectively.

(c) Within the Southwest Florida Water Management District, the maximum millage assessed for district purposes may shall not exceed 50 percent of the total authorized millage if when there are one or more basins in the district, and the maximum millage assessed for basin purposes may shall not exceed 50 percent of the total authorized millage.

(4) To ensure that taxes authorized by this chapter continue to be in proportion to the benefits derived by the parcels of real estate within the districts, the Legislature shall annually review the authorized millage rate for each district and set the maximum amount of revenue to be raised by each district from the taxes levied. If the annual maximum amount of property tax revenue is not set by the Legislature on or before July 1 of each year, the district may not raise additional revenue through the levy of ad valorem taxes on property.

(5) It is hereby determined that the taxes authorized by this chapter are in proportion to the benefits to be derived by the several parcels of real estate within the districts to which territories are annexed and transferred. It is further determined that the cost of conducting elections within the respective districts or within the transferred or annexed territories, including costs incidental thereto in preparing for such election and in informing the electors of the issues therein, is a proper expenditure of the department, of the
respective districts, and of the district to which such
territory is or has been annexed or transferred.

(6) Each water management district created under this
chapter which does not receive state shared revenues under part
II of chapter 218 shall, before January 1 of each year, certify
compliance or noncompliance with s. 200.065 to the Department of
Financial Services. Specific grounds for noncompliance must
shall be stated in the certification. In its annual report
required by s. 218.32(2), the Department of Financial Services
shall report to the Governor and the Legislature those water
management districts certifying noncompliance or not reporting.

Section 3. Section 373.536, Florida Statutes, is amended to
read:

(Substantial rewording of section. See
s. 373.536, F.S., for present text.)
373.536 Water management district budgets.—
(1) FISCAL YEAR.—Commencing July 1, 2012, the fiscal year
of water management districts created under this chapter extends
from July 1 of one year through June 30 of the following year.
(2) BUDGET DEVELOPMENT; HEARINGS.—
(a) On or before July 15 of each year, the budget officer
of the water management district shall submit for consideration
by the governing board of the district a proposed budget
covering the district’s proposed operations and funding
requirements for the next fiscal year.
(b) In developing its proposed budget, each water
management district may conduct such workshops and hearings as
necessary.
1. Unless alternative notice requirements are otherwise
provided by law, notice of all budget hearings must be published in a newspaper of general paid circulation in each county in which the district lies at least 5 days but not more than 15 days before the hearing.

2. Budget workshops conducted for the public must be advertised in a newspaper of general paid circulation in the community or area in which the workshop will occur at least 5 days but not more than 15 days before the workshop.

3. The hearing for adoption of a budget to be included in the legislative budget request submitted pursuant to paragraph (4)(a) must be by and before the governing board of the district and may be continued from day to day until terminated by the board.

(3) BUDGET CONTENTS AND REVIEW.—

(a) The Executive Office of the Governor and the water management districts shall develop a process to facilitate review and communication regarding district budgets, as necessary. The office shall analyze each budget as to the adequacy of fiscal resources available to the district and the adequacy of district expenditures related to water supply, including water resource and water supply development projects identified in the district’s regional water supply plans; water quality; flood protection and floodplain management; and natural systems. The analysis must compare proposed expenditures among districts and be based on the particular needs within each water management district in these four areas of responsibility.

(b) The budget must set forth the proposed expenditures of the water management district, to which may be added an amount to be held in reserve. At a minimum, 25 percent of the property
taxes levied in support of the budget must be held in reserve for the following fiscal year. The budget must include, but is not limited to, the following information for the preceding fiscal year and the current fiscal year, and the proposed amounts for the upcoming fiscal year, in a standard format prescribed by the Executive Office of the Governor:

1. The estimated amount of funds remaining at the beginning of the fiscal year which has been obligated for the payment of outstanding commitments not yet completed.

2. The estimated amount of unobligated funds or net cash balance on hand at the beginning of the fiscal year, and the estimated amount of funds to be raised by district taxes or received from other sources to meet the requirements of the district.

3. The salaries and benefits, expenses, operating capital outlay, number of authorized positions, other personnel services, and other applicable categories listed in s. 216.011 for the following program areas of the district:
   a. Water resource planning and monitoring;
   b. Land acquisition, restoration, and public works;
   c. Operation and maintenance of works and lands;
   d. Regulation;
   e. Outreach, including a full description and accounting of expenditures for water resources education; public information and public relations, including public service announcements and advertising in any media; and lobbying activities related to local, regional, state, and federal governmental affairs, whether incurred by district staff or through contractual services; and
f. Management and administration.

In addition to the program areas reported by all water management districts, the South Florida Water Management District shall include in its budget document separate sections on all costs associated with the Everglades Construction Project and the Comprehensive Everglades Restoration Plan.

4. The total estimated amount in the district budget for each area of responsibility listed in subparagraph 3., and for water resource and water supply development projects identified in the district’s regional water supply plans.

5. A description of each new, expanded, reduced, or eliminated program.

6. All revenue sources, including ad valorem taxes, Surface Water Improvement and Management Program funds, other state funds, federal funds, and user fees and permit fees for each program area.

(c) The Executive Office of the Governor shall annually file with the Legislature a report that summarizes its review of the water management districts’ recommended budgets and displays the budget allocations by program area. The report must identify districts that are not in compliance with the reporting requirements of this section. State funds shall be withheld from a district that fails to comply with such reporting requirements.

(4) BUDGET SUBMITTAL.—Commencing in 2011, for the 2012-2013 fiscal year and each fiscal year thereafter:

(a) By October 15 of each year, the department shall include in its legislative budget request to the Governor and
Legislature the complete legislative budget request for each water management district consistent with this section and s. 216.023.

(b) The Governor shall include his or her recommendations for each water management district budget, together with the analysis performed pursuant to paragraph (3)(a) and the report prepared pursuant to paragraph (3)(c), in the recommended budget furnished to the Legislature pursuant to s. 216.162.

(5) BUDGET APPROVAL; FINANCIAL INFORMATION.—

(a) Each water management district’s budget shall be the budget approved by the Legislature annually in the General Appropriations Act, as may be amended pursuant to this section.

(b) By September 1, 2011, each water management district shall post on its website for public access the monthly financial statement that is currently provided to its governing board. By July 1, 2012, each district shall also post on its website, in a manner specified by the Chief Financial Officer, the district’s budgets, revenues, salaries and benefits, expenses, operating capital outlay, number of authorized positions, other personnel services, and other applicable categories listed in s. 216.011.

(c) For each fiscal year beginning on or after July 1, 2012, each water management district shall maintain its financial data in a manner that is consistent with applicable common financial data management codes for local governments adopted by the Chief Financial Officer and in effect on January 1, 2012. For each fiscal year beginning on or after July 1, 2013, the districts shall submit monthly detailed financial reports to the Department of Financial Services in a manner
specified by the Chief Financial Officer.

(6) DETERMINATION OF MILLAGE; ADOPTION OF BUDGET.—
(a) The final budget and millage rate shall be adopted in accordance with s. 200.065. For purposes of complying with that section, the budget set forth in the General Appropriations Act shall be considered the tentative budget under s. 200.065(2) and the amended tentative budget adopted under s. 200.065(2)(c).

(b) If the mailing of the notice of proposed property taxes is delayed beyond September 3 in any county in which the water management district lies, the district shall advertise its intention to adopt a tentative budget and millage rate, pursuant to s. 200.065(3)(g), in a newspaper of general paid circulation in that county.

(c) As provided in s. 200.065(2)(d), the board shall publish one or more notices of its intention to adopt a final budget for the district for the next fiscal year. The notice shall appear adjacent to an advertisement that sets forth the tentative budget in a format meeting the budget summary requirements of s. 129.03(3)(b). The notice and advertisement must be published in one or more newspapers having a combined general paid circulation in each county in which the district lies. Districts may include explanatory phrases and examples in the budget advertisements to clarify or illustrate the effect that the district budget may have on ad valorem taxes.

(d) The hearing for adoption of a final budget and millage rate shall be by and before the governing board of the water management district as provided in s. 200.065 and may be continued from day to day until terminated by the board.

(e) If the final millage rate adopted by the board is lower
than the proposed millage rate, any changes to the budget
necessitated by the adoption of the lower millage are subject to
review and approval pursuant to ss. 216.181 and 216.292.

(f) Notwithstanding any other provision of law, a water
management district may expend funds based on its legislatively
approved budget until its final budget is adopted pursuant to s.
200.065(2)(d).

(7) BUDGET CONTROLS.—

(a) The final budget for the district as adopted pursuant
to this section, is the operating and fiscal guide for the water
management district for the next year. However, transfers of
funds may be made within the budget, following review and
approval pursuant to ss. 216.181 and 216.292, by action of the
district’s governing board at a public meeting of the governing
board.

(b) Lump-sum salary bonuses may be provided only if
specifically appropriated or provided pursuant to s. 110.1245 or
s. 216.1815.

(c) The water management district shall control its budget,
at a minimum, by fund and provide a description of its budget
control mechanisms, in conjunction with the legislative budget
request furnished to the Governor and Legislature pursuant to
subsection (4), for approval.

(d) If the water management district receives unanticipated
funds after the adoption of the final budget, the final budget
may be amended, following review and approval pursuant to ss.
216.181 and 216.292, to include such funds if notice of the
amendment is published in the notice of the governing board
meeting at which the amendment will be considered, pursuant to
s. 120.525. The notice must set forth a summary of the proposed amendment. However, in the event of a disaster or of an emergency arising to prevent or avert a disaster, the governing board is not limited by the budget but may apply such funds as may be available or as may be procured for such purpose. In such an event, the governing board shall notify the Executive Office of the Governor and the Legislative Budget Commission as soon as practical, but within 30 days after the governing board’s action.

(8) FINAL BUDGET; ANNUAL AUDIT; CAPITAL IMPROVEMENTS PLAN; WATER RESOURCE DEVELOPMENT WORK PROGRAM.—

(a) Each water management district must, by the date specified for each item, furnish copies of the following documents to the Governor, the President of the Senate, the Speaker of the House of Representatives, the chairs of all legislative committees and subcommittees having substantive or fiscal jurisdiction over the districts, the secretary of the department, and the governing board of each county in which the district has jurisdiction or derives any funds for the operations of the district:

1. The adopted budget to be furnished within 10 days after its adoption.

2. A financial audit of its accounts and records, to be furnished within 10 days after its acceptance by the governing board. The audit must be conducted in accordance with s. 11.45 and the rules adopted thereunder. The district must also provide a copy of the audit to the Auditor General within 10 days after its acceptance by the governing board.

3. A 5-year capital improvements plan, to be included in
the consolidated annual report required by s. 373.036(7). The plan must include expected sources of revenue for planned improvements and be prepared in a manner comparable to the fixed capital outlay format set forth in s. 216.043.

4. A 5-year water resource development work program, as described in paragraph (b), to be furnished within 30 days after the adoption of the final budget. The program must describe the district’s implementation strategy for the water resource development component of each approved regional water supply plan developed or revised under s. 373.709.

(b) The 5-year water resource development work program furnished pursuant to subparagraph (a) must address all the elements of the water resource development component in the district’s approved regional water supply plans, including information about the relationship between the water resources development component and funding for alternative water supply projects, and must identify which projects in the work program will provide water, explain how each water resource development or water supply project will produce additional water available for consumptive uses, estimate the quantity of water to be produced by each project, and provide an assessment of the contribution of the district’s regional water supply plans in providing sufficient water to meet the water supply needs of existing and future reasonable-beneficial uses for a 1-in-10-year drought event.

1. Within 30 days after submittal, the department shall review the proposed work program and submit its findings, questions, and comments to the district. The review must include a written evaluation of the program’s consistency with
furthering the district’s approved regional water supply plans, and the adequacy of proposed expenditures. As part of the review, the department shall give interested parties the opportunity to provide written comments on each district’s proposed work program.

2. Within 45 days after receipt of the department’s evaluation, the governing board shall state in writing to the department which changes recommended in the evaluation it will incorporate into its work program submitted as part of the March 1 consolidated annual report required by s. 373.036(7), or specify the reasons for not incorporating the changes.

3. The department shall include the district’s responses in a final evaluation report and submit a copy of the report to the Governor and the Legislature.

(c) If any entity listed in paragraph (a) provides written comments to the district regarding any document furnished under this subsection, the district must respond to the comments in writing and furnish copies of the comments and written responses to the other entities.

Section 4. Subsection (1) of section 403.891, Florida Statutes, is amended to read:

403.891 Water Protection and Sustainability Program Trust Fund of the Department of Environmental Protection.—

(1) The Water Protection and Sustainability Program Trust Fund is created within the Department of Environmental Protection. The purpose of the trust fund is to implement the Water Sustainability and Protection Program created in s. 403.890 and the provisions of s. 373.502.

Section 5. Paragraph (d) of subsection (8) of section
373.026, Florida Statutes, is amended to read:

373.026 General powers and duties of the department.—The department, or its successor agency, shall be responsible for the administration of this chapter at the state level. However, it is the policy of the state that, to the greatest extent possible, the department may enter into interagency or interlocal agreements with any other state agency, any water management district, or any local government conducting programs related to or materially affecting the water resources of the state. All such agreements shall be subject to the provisions of s. 373.046. In addition to its other powers and duties, the department shall, to the greatest extent possible:

(8) The Executive Office of the Governor, pursuant to its duties under s. 373.536(5) to approve or disapprove, in whole or in part, the budget of each water management district, shall review all proposed expenditures for project components in the district’s budget.

Section 6. Paragraph (b) of subsection (7) of section 373.036, Florida Statutes, is amended to read:

373.036 Florida water plan; district water management plans.—

(7) CONSOLIDATED WATER MANAGEMENT DISTRICT ANNUAL REPORT.—

(b) The consolidated annual report shall contain the following elements, as appropriate to that water management district:

1. A district water management plan annual report or the annual work plan report allowed in subparagraph (2)(e)4.

2. The department-approved minimum flows and levels annual report.
priority list and schedule required by s. 373.042(2).

3. The annual 5-year capital improvements plan required by s. 373.536(8)(a)3. 373.536(6)(a)3.

4. The alternative water supplies annual report required by s. 373.707(8)(n).

5. The final annual 5-year water resource development work program required by s. 373.536(8)(a)4. 373.536(6)(a)4.


7. The mitigation donation annual report required by s. 373.414(1)(b)2.

Section 7. Paragraph (a) of subsection (6) of section 373.707, Florida Statutes, is amended to read:

373.707 Alternative water supply development.—

(6)(a) The statewide funds provided pursuant to the Water Protection and Sustainability Program serve to supplement existing water management district or basin board funding for alternative water supply development assistance and should not result in a reduction of such funding. Therefore, the water management districts shall include in the annual tentative and adopted budget submittals required under this chapter the amount of funds allocated for water resource development which supports alternative water supply development and the funds allocated for alternative water supply projects selected for inclusion in the Water Protection and Sustainability Program. It shall be the goal of each water management district and basin boards is for the combined funds allocated annually for these purposes to be, at a minimum, the equivalent of 100 percent of the state funding provided to the water management
district for alternative water supply development. If this goal is not achieved, the water management district shall provide in the budget submittal an explanation of the reasons or constraints that prevent this goal from being met, an explanation of how the goal will be met in future years, and affirmation of the match is required during the budget review process as established under s. 373.536(5). The Suwannee River Water Management District and the Northwest Florida Water Management District shall not be required to meet the match requirements of this paragraph; however, they shall try to achieve the match requirement to the greatest extent practicable.

Section 8. Subsection (6) of section 373.709, Florida Statutes, is amended to read:

373.709 Regional water supply planning.—
(6) Annually and in conjunction with the reporting requirements of s. 373.536(8)(a)4. 373.536(6)(a)4., the department shall submit to the Governor and the Legislature a report on the status of regional water supply planning in each district. The report must include:
(a) A compilation of the estimated costs of and potential sources of funding for water resource development and water supply development projects as identified in the water management district regional water supply plans.
(b) The percentage and amount, by district, of district ad valorem tax revenues or other district funds made available to develop alternative water supplies.
(c) A description of each district’s progress toward achieving its water resource development objectives, including
the district’s implementation of its 5-year water resource
development work program.

(d) An assessment of the specific progress being made to
implement each alternative water supply project option chosen by
the entities and identified for implementation in the plan.

(e) An overall assessment of the progress being made to
develop water supply in each district, including, but not
limited to, an explanation of how each project, either
alternative or traditional, will produce, contribute to, or
account for additional water being made available for
consumptive uses, an estimate of the quantity of water to be
produced by each project, and an assessment of the contribution
of the district’s regional water supply plan in providing
sufficient water to meet the needs of existing and future
reasonable-beneficial uses for a 1-in-10-year drought event, as
well as the needs of the natural systems.

Section 9. (1) In order for water management districts
created under chapter 373, Florida Statutes, to implement the
transition to a fiscal year beginning on July 1 and ending on
June 30, as provided in s. 373.536, Florida Statutes, as amended
by this act, the fiscal year for each water management district
beginning on October 1, 2011, will end on June 30, 2012. Each
water management district must adopt its final budget and
millage rate for the October 1, 2011, to June 30, 2012, fiscal
year pursuant to s. 373.536(6), Florida Statutes. To ensure that
there are sufficient funds for a seamless transition to a new
fiscal year, the district board may adopt a millage rate that is
33.33 percent higher than the millage rate needed to fund the
October 1, 2011, to June 30, 2012, fiscal year. However, the
total ad valorem taxes levied may not exceed $3,946,969 for the Northwest Florida Water Management District, $5,412,674 for the Suwannee River Water Management District, $85,335,619 for the St. Johns Water Management District, $107,766,957 for the Southwest Florida Water Management District, and $284,901,967 for the South Florida Water Management District. Twenty-five percent of the revenues received from the adoption of the millage rate shall be placed in a reserve to be spent in the fiscal year beginning on July 1, 2012.

(2) Notwithstanding any other provision of law, a water management district may spend funds based on its legislatively approved budget until its final budget is adopted pursuant to s. 200.065(2)(d), Florida Statutes.

(3) All prior year incurred obligations are hereby appropriated. As used in this subsection, the term “incurred obligation” means a legal obligation for goods or services that have been contracted for.

(4) This section expires July 1, 2012.

Section 10. This act shall take effect upon becoming a law.