

**HOUSE OF REPRESENTATIVES STAFF ANALYSIS
FINAL BILL ANALYSIS**

BILL #: HB 1175 Martin County; Village of Indiantown
SPONSOR(S): Magar
TIED BILLS: IDEN./SIM. **BILLS:**

| REFERENCE | ACTION | ANALYST | STAFF DIRECTOR or BUDGET/POLICY CHIEF |
|---------------------------------------------------|-----------|---------|------------------------------------------|
| 1) Local, Federal & Veterans Affairs Subcommittee | 13 Y, 0 N | Darden | Miller |
| 2) Ways & Means Committee | 14 Y, 0 N | Curry | Langston |
| 3) State Affairs Committee | 19 Y, 0 N | Darden | Williamson |
| FINAL HOUSE FLOOR ACTION: 116 Y's 0 N's | | | |
| GOVERNOR'S ACTION: Approved | | | |

SUMMARY ANALYSIS

HB 1175 passed the House on April 17, 2019, and subsequently passed the Senate on May 1, 2019.

Indiantown is a well-established community located in western Martin County. The Village of Indiantown was created by a special act of the Legislature in 2017, subject to approval by residents voting in a referendum held the same year. As of the 2010 U.S. Census, Indiantown has a population of 6,083.

The bill amends the charter of the Village of Indiantown to correct scrivener's errors contained in the legal description of the boundaries of the municipality. The bill also authorizes the Village to include ad valorem millage levied by Martin County municipal service taxing units to be counted toward calculating the 3 mills of required local contributions to be eligible for state-shared revenues.

The bill was approved by the Governor on May 10, 2019, ch. 2019-179, L.O.F., and became effective on that date.

I. SUBSTANTIVE INFORMATION

A. EFFECT OF CHANGES:

Present Situation

Village of Indiantown

Indiantown is a well-established community located in western Martin County and described by the local Chamber of Commerce as “clean, green, and high-tech.”¹ The village borders the St. Lucie Canal and is home to the world’s first hybrid solar energy facility, an advanced fiber optic network, and a thriving marine industry. According to the 2010 U.S. Census, the population of Indiantown Census Designated Place was 6,083.² Indiantown was previously incorporated from 1927 to 1933.³

In 2017, the Legislature approved the creation of a municipality, the Village of Indiantown, subject to the approval of residents voting in a referendum.⁴ The referendum was held on November 7, 2017, with 63 percent of voters approving of the creation of the Village.⁵ For the purposes of tax collection, the Village was considered created and established effective December 31, 2017.⁶

Local Government Revenue Sharing Eligibility

In any fiscal year, a unit of local government may be eligible to participate in revenue sharing beyond the minimum entitlement amount.⁷ To be eligible, the local government unit must do all of the following:

- Report to the Department of Financial Services its finances for its most recently completed fiscal year.
- Make provisions for annual post-audits of its financial accounts.
- For newly incorporated municipalities, for the taxable values for the year of incorporation as certified by the property appraiser:
 - Levy ad valorem taxes, exclusive of taxes levied for debt service or other voter-authorized special millages, to produce revenue equivalent to a millage rate of 3 mills on the dollar based on the 1973 taxable values as certified by the property appraiser; or
 - In order to produce revenue equivalent to that which would otherwise be produced by such 3-mill ad valorem tax, to have received a certain remittance from the county, collected an occupational license tax or a utility tax, levied an ad valorem tax, or received revenue from any combination of these four sources.⁸
- Certify certain information relating to its law enforcement officers,⁹ firefighters,¹⁰ and dependent special districts.¹¹

¹ BJM Consulting, Inc., Village of Indiantown Incorporation Feasibility Study (August 2016), on file with the Local, Federal & Veterans Affairs Subcommittee.

² U.S. Census Bureau, American Factfinder, <https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml> (last visited Mar. 8, 2019).

³ See ch. 12889, Laws of Fla. (1927) (charter for Indiantown) and ch. 16483, Laws of Fla. (1933) (abolishing the municipality of Indiantown).

⁴ Ch. 2017-195, Laws of Fla.

⁵ Martin County Supervisor of Elections, *2017 Special Referendum Election*, <http://results.enr.clarityelections.com/FL/Martin/71084/191245/en/summary.html> (last visited Mar. 8, 2019).

⁶ Ch. 2017-195, s. 1(3), Laws of Fla.

⁷ S. 218.23, F.S.

⁸ S. 218.23(1)(c), F.S.

⁹ S. 218.23(1)(d), F.S.

¹⁰ S. 218.23(1)(e), F.S.

¹¹ S. 218.23(1)(f), F.S.

- Certify annually, and within 30 days of adopting an ordinance or resolution establishing a final property tax levy (or if none is levied, no later than November 1), to the Department of Revenue that the requirements of s. 200.065, F.S., were met.¹²

The charter provides that the Village of Indiantown may participate in all revenue sharing programs of the state.¹³ It also provides that the provisions of s. 218.23, F.S., are waived for the purpose of conducting audits and financial reporting through the end of fiscal year 2018-2019, and that for purposes of complying with s. 218.23, F.S., the millage levied by a special district may be used for an indefinite period of time.

As part of the incorporation process, the Village of Indiantown conducted and submitted to the Legislature a Feasibility Study.¹⁴ According to the Study, the Village of Indiantown planned to satisfy the requirement that it pay a total local tax rate of 3 mills by levying the cumulative 3.1801 mills rate then levied by the municipal service taxing units serving the area of the municipality. An analysis of the feasibility study conducted by the Department of Revenue noted that the (then) proposed charter stated the Village is eligible to participate in all shared revenue programs effective January 1, 2018, but that funds cannot be disbursed until after the election and first meeting of the Village Council.¹⁵

Village of Indiantown Corporate Boundaries

The Village of Indiantown charter sets forth boundaries for the newly incorporated area.¹⁶

Effect of the Bill

The bill amends s. 3 of the charter for the Village of Indiantown to correct the territorial boundaries of the Village, reducing the size of the municipality from 9,397.5 acres to 9,073 acres. The boundaries as described in the initial charter contained scrivener's errors.

The bill also authorizes the Village to include ad valorem millage levied by Martin County municipal service taxing units to be counted toward calculating the 3 mills of required local contributions to be eligible for state-shared revenues.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

¹² S. 218.23(1), F.S.

¹³ Ch. 2017-195, s. 11(8), F.S.

¹⁴ BJM Consulting, Inc., Village of Indiantown Incorporation Feasibility Study (August 2016), on file with the Local, Federal & Veterans Affairs Subcommittee.

¹⁵ DOR Memorandum on Proposed Incorporation – Village of Indiantown (December 2, 2016), on file with the Local, Federal & Veterans Affairs Subcommittee.

¹⁶ Ch. 2017-195, s. 3, Laws of Fla.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. ECONOMIC IMPACT STATEMENT FILED? Yes ☒ No ☐

D. NOTICE PUBLISHED? Yes ☒ No ☐

IF YES, WHEN? January 27, 2019

WHERE? The *Stuart News*, a daily newspaper of general circulation published in Martin County, Florida.

E. REFERENDUM(S) REQUIRED? Yes ☐ No ☒

IF YES, WHEN?