

HOUSE OF REPRESENTATIVES STAFF FINAL BILL ANALYSIS

BILL #: CS/HB 1571 Florida Keys Aqueduct Authority, Monroe County

SPONSOR(S): Local Administration, Federal Affairs & Special Districts Subcommittee, Mooney and others

TIED BILLS: **IDEN./SIM. BILLS:**

FINAL HOUSE FLOOR ACTION: 114 Y's

0 N's

GOVERNOR'S ACTION: Pending

SUMMARY ANALYSIS

CS/HB 1571 passed the House on February 28, 2024, and subsequently passed the Senate on March 7, 2024.

A "special district" is a unit of local government created for a particular purpose, with jurisdiction to operate within a limited geographic boundary. Special districts are created by general law, special act, local ordinance, or rule of the Governor and Cabinet. A special district has only those powers expressly provided by, or reasonably implied from the authority provided in the district's charter.

The Florida Keys Aqueduct Authority (Authority) was created in 1937 and operates under a charter adopted in 1976. The primary purpose of the Authority is to obtain, supply, and distribute an adequate water supply and collect, treat, and dispose of wastewater for the Florida Keys. The Authority is governed by a five-member board appointed by the Governor.

The Authority is responsible for managing and maintaining water and sewer systems within its boundaries. The Authority may issue bonds and other obligations to pay for projects but is prohibited from combining water and sewer systems for the purposes of financing.

The bill removes the prohibition on combining a water system with a sewer system for the purpose of financing.

The Economic Impact Statement indicates that the bill will not have a fiscal impact.

Subject to the Governor's veto powers, the effective date of this bill is July 1, 2024.

I. SUBSTANTIVE INFORMATION

A. EFFECT OF CHANGES:

Present Situation

Special Districts

A “special district” is a unit of local government created for a particular purpose, with jurisdiction to operate within a limited geographic boundary.¹ Special districts are created by general law, special act, local ordinance, or rule of the Governor and Cabinet.² A special district has only those powers expressly provided by, or reasonably implied from, the authority provided in the district’s charter. Special districts provide specific municipal services in addition to, or in place of, those provided by a municipality or county.³ Special districts are funded through the imposition of ad valorem taxes, fees, or charges on the users of those services as authorized by law.⁴

Special districts may be classified as dependent or independent based on their relationship with local general-purpose governments. A special district is classified as “dependent” if the governing body of a single county or municipality:

- Serves as governing body of the district;
- Appoints the governing body of the district;
- May remove members of the district’s governing body at-will during their unexpired terms; or
- Approves or can veto the budget of the district.⁵

A district is classified as “independent” if it does not meet any of the above criteria or is located in more than one county, unless the district lies entirely within the boundaries of a single municipality.⁶

Special districts do not possess “home rule” powers and may impose only those taxes, assessments, or fees authorized by special or general law. The special act creating an independent special district may provide for funding from a variety of sources while prohibiting others. For example, ad valorem tax authority is not mandatory for a special district.⁷

Florida Keys Aqueduct Authority

The Florida Keys Aqueduct Authority (Authority) was originally created as the Florida Keys Aqueduct Commission in 1937.⁸ The Authority currently operates under a charter adopted in 1976.⁹ The primary purpose of the Authority is to obtain, supply, and distribute an adequate water supply and collect, treat, and dispose of wastewater for the Florida Keys.¹⁰ The governing body of the Authority is a five-member board appointed by the Governor.¹¹

¹ See *Halifax Hospital Medical Center v. State of Fla., et al.*, 278 So. 3d 545, 547 (Fla. 2019).

² See ss. 189.02(1), 189.031(3), and 190.005(1), F.S.; see generally ss. 189.012(6), F.S.

³ Local Administration, Federal Affairs & Special Districts Subcommittee, *The Local Government Formation Manual*, 62, available at <https://myfloridahouse.gov/Sections/Committees/committeesdetail.aspx?Committeeld=3227> (last visited Dec. 5, 2023).

⁴ The method of financing a district must be stated in its charter. Ss. 189.02(4)(g) and 189.031(3), F.S. Independent special districts may be authorized to impose ad valorem taxes as well as non-ad valorem special assessments in the special acts comprising their charters. See, e.g., ch. 2023-335, s. 6 of s. 1, Laws of Fla. (East River Ranch Stewardship District); see also, e.g., ss. 190.021 (community development districts), 191.009 (independent fire control districts), 197.3631 (non-ad valorem assessments), 298.305 (water control districts), and 388.221, F.S. (mosquito control); see also ch. 2004-397, s. 27 of s. 3, Laws of Fla. (South Broward Hospital District).

⁵ S. 189.012(2), F.S.

⁶ S. 189.012(3), F.S.

⁷ See, e.g., ch. 2006-354, Laws of Fla. (Argyle Fire District may impose special assessments, but has no ad valorem tax authority).

⁸ Ch. 18530, Laws of Fla. (1937).

⁹ Ch. 76-441, Laws of Fla.

¹⁰ Ch. 76-441, s. 1, Laws of Fla., as amended by ch. 98-519, s. 1, Laws of Fla.

¹¹ Ch. 76-441, s. 4(1), Laws of Fla., as amended by ch. 84-484, s. 2, Laws of Fla.

The powers of the Authority include, but are not limited to:

- Owning, acquiring, constructing, reconstructing, equipping, operating, maintaining, extending, and improving water systems.
- Regulating the use and supply of water, including by rationing, within the Authority's boundaries.
- Issuing bonds or other obligations to pay all or part of the cost of the acquisition or construction, reconstruction, extension, repair, improvement, maintenance, or operation of any project or combination of projects.
- Purchasing, constructing, or otherwise acquiring a sewage disposal system or systems and operating such systems in accordance with the Authority's purpose.¹²

The charter authorizes the Authority to impose fees and charges sufficient for obtaining bonds to finance sewer system projects.¹³ These projects may be combined into a single system for purposes of financing, operation, and administration.¹⁴ However, the Authority is prohibited from combining a water system with any sewer system for purposes of financing.¹⁵

Effect of the Bill

The bill removes the prohibition on combining a water system with a sewer system for the purpose of financing.

The Economic Impact Statement indicates that the bill will not have a fiscal impact.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

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? November 16, 2023.

¹² Ch. 76-441, s. 9, Laws of Fla.

¹³ Ch. 76-441, s. 9(9)(b), Laws of Fla.

¹⁴ Ch. 76-441, s. 9(9)(i), Laws of Fla.

¹⁵ *Id.*

WHERE?

The *Weekly Newspapers*, a weekly newspaper published in Monroe County.

E. REFERENDUM(S) REQUIRED? Yes ☐ No ☒