

HOUSE OF REPRESENTATIVES STAFF FINAL BILL ANALYSIS

BILL #: HB 897 Dorcas Fire District, Okaloosa County

SPONSOR(S): Maney and others

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

FINAL HOUSE FLOOR ACTION: 114 Y's

1 N's

GOVERNOR'S ACTION: Approved

SUMMARY ANALYSIS

HB 897 passed the House on February 22, 2024, and subsequently passed the Senate on March 7, 2024.

Special districts are units 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. Special districts provide specific municipal services in addition to, or in place of, those provided by a municipality or county.

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. A district is classified as "independent" if it does not meet that criteria or is located in more than one county, unless the district lies entirely within the boundaries of single municipality.

Independent special fire control districts are a type of independent special district created by the Legislature for the purpose of providing fire suppression and related activities within the territorial jurisdiction of the district. Independent special fire control districts are governed by both the Uniform Special District Accountability Act and the Independent Special Fire Control District Act.

The bill converts the Dorcas Fire District from an independent special district to a dependent special district, with a board comprised of the Okaloosa County Board of County Commissioners or its appointees. The bill revises the non-ad valorem assessment rates provided in the district charter to reflect rates currently levied by the district after inflation adjustments.

The Economic Impact Statement anticipates costs of \$75,875 and \$81,298, in the first and second fiscal years, respectively, in order to implement the bill.

The bill was approved by the Governor on June 13, 2024, ch. 2024-288, L.O.F., and became effective on that date.

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

Independent Special Fire Control Districts

An independent special fire control district is a type of independent special district created by the Legislature to provide fire suppression and related activities within the territorial jurisdiction of the district.⁷ As of February 1, 2024, there were 54 active independent special fire control districts.⁸

The Independent Special Fire Control District Act (ISFCDA)⁹ provides standards, direction, and procedures for the uniform operation and governance of these districts, including financing authority, fiscally-responsible service delivery, and elections.¹⁰ The ISFDCA controls over more specific

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?CommitteeId=3227> (last visited Jan. 12, 2024).

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), and 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 S. 191.003(5), F.S.

⁸ Dept. of Commerce, Special District Accountability Program, *Official List of Special Districts*, available at <https://specialdistrictreports.floridajobs.org/OfficialList/CustomList>.

⁹ Ch. 191, F.S.

¹⁰ S. 191.002, F.S.

provisions in any special act or general law of local application creating a fire control district's charter,¹¹ requires every fire control district be governed by a five-member board,¹² and provides:

- General powers.¹³
- Special powers.¹⁴
- Authority and procedures for the assessment and collection of ad valorem taxes.¹⁵
- Authority and procedures for the imposition, levy, and collection of non-ad valorem assessments, charges, and fees.¹⁶
- Issuance of district bonds and evidence of debt.¹⁷

Fire control districts may levy ad valorem taxes on real property within the district of no more than 3.75 mills unless a greater amount was previously authorized.¹⁸ A district also may levy non-ad valorem assessments and adopt a schedule of reasonable fees for services performed.¹⁹ Additionally, the district board may impose an impact fee if authorized by law and the local general purpose government has not adopted an impact fee for fire services that is distributed to the district for the purchase of new facilities and equipment.²⁰

Dorcas Fire District

The Dorcas Fire District (District) is an independent special fire control district created by local ordinance in 1984.²¹ The District's charter was codified by special act in 2005.²² The District provides volunteer fire and rescue support,²³ and is governed by a five-member elected board of fire commissioners (Board).²⁴

The District has the power to levy and assess ad valorem taxes and non-ad valorem assessments.²⁵ The District may not levy ad valorem taxes exceeding 3.75 mills.²⁶ The District's charter provided an initial amount of non-ad valorem assessments that may be levied by the District, which may be increased by the Board each year by a rate not to exceed the average annual growth rate in Florida personal income over the previous five years.²⁷

The District had revenues of \$260,427 and expenses of \$314,017 during Fiscal Year (FY) 2019-20, the most recent year the District reported audited financial information to the Auditor General.²⁸ During its

¹¹ S. 191.004, F.S. Provisions in other laws pertaining to district boundaries or geographical sub-districts for electing members to the governing board are excepted from this section.

¹² S. 191.005(1)(a), F.S. (fire control district may continue to be governed by a three-member board if authorized by special act adopted in or after 1997).

¹³ S. 191.006, F.S. (e.g. the power to sue and be sued in the name of the district, the power to contract, and the power of eminent domain).

¹⁴ S. 191.008, F.S.

¹⁵ Ss. 191.006(14) and 191.009(1), F.S.

¹⁶ Ss. 191.006(11) and (15); 191.009(2), (3), and (4); and 191.011, F.S.

¹⁷ S. 191.012, F.S.

¹⁸ S. 191.009(1), F.S. *But see* art. VII, s. 9, Fla. Const. (special districts may not levy an ad valorem tax in excess of the millage "authorized by law approved by vote of the electors.")

¹⁹ S. 191.009(2) and (3), F.S. If the district levies a non-ad valorem assessment to fund emergency medical and transport services, the district is prohibited from levying an ad valorem tax to fund those services.

²⁰ S. 191.009(4), F.S.

²¹ Okaloosa Cnty. Fla., Ord. No. 84-39 (Dec. 18, 1984).

²² Ch. 2005-331, Laws of Fla.

²³ Dorcas Fire District, *Audited Financial Statements and Supplementary Information, Year Ended September 30, 2020*, 16, https://flauditor.gov/pages/specialdistricts_efile%20rpts/2020%20dorcas%20fire%20district.pdf (last visited Jan. 24, 2024).

²⁴ Ch. 2005-331, s. 5(1)(a), Laws of Fla.

²⁵ Ch. 2005-331, s. 8, Laws of Fla.

²⁶ Ch. 2005-331, s. 8(1), Laws of Fla.

²⁷ Ch. 2005-331, ss. 8(2) and 9(2), Laws of Fla.

²⁸ *Supra* note 23 at 14.

most recent FY, the District did not levy ad valorem taxes, but levied non-ad valorem assessments subject to the following schedule:

- For commercial buildings and businesses, \$215.61 per unit.
- For residential dwellings, \$107.80.
- For vacant land, \$6.44 for parcels of up to 9.5 acres, \$61.46 plus \$0.10 per acre for parcels greater than 9.5 acres.²⁹

Effect of the Bill

The bill converts the District from an independent special fire control district to a dependent district of the county, governed by the Okaloosa County Board of County Commissioners or its appointees. The bill also makes conforming changes to the District's charter reflecting the change in status from an independent special fire control district to a dependent district.

The bill revises the non-ad valorem assessment rates provided in the District's charter to reflect rates currently levied by the District after annual inflation adjustments authorized by the charter.

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:

The Economic Impact Statement anticipates costs of \$75,875 and \$81,298, in the first and second FYs, respectively, related to implementation costs for the county safety department to take over the District operations.

C. ECONOMIC IMPACT STATEMENT FILED? Yes No

D. NOTICE PUBLISHED? Yes No

IF YES, WHEN? November 1, 2023.

WHERE? The *Northwest Florida Daily News*, a newspaper of general circulation in Okaloosa County, Florida.

E. REFERENDUM(S) REQUIRED? Yes No

²⁹ See Okaloosa Cnty. Property Appraiser, *Property Search*, <https://qpublic.schneidercorp.com/application.aspx?app=OkaloosaCountyFL&PageType=Search> (last visited Jan. 24, 2024) (querying TRIM notices of individual parcels of each type within the boundaries of the district).

IF YES, WHEN?