FLORIDA HOUSE OF REPRESENTATIVES FINAL BILL ANALYSIS

This bill analysis was prepared by nonpartisan committee staff and does not constitute an official statement of legislative intent.

RELATED BILLS: None

BILL #: CS/HB 4049 **COMPANION BILL: None** TITLE: North St. Lucie River Water Control District, St. **LINKED BILLS:** None

Lucie County

SPONSOR(S): Trabulsy, Overdorf

FINAL HOUSE FLOOR ACTION: 113 **Y's** 0 N's **GOVERNOR'S ACTION:** Approved

SUMMARY

Effect of the Bill:

The bill increases the maximum annual per-acre maintenance tax for the North St. Lucie River Water Control District in St. Lucie County from \$25 per acre to \$50 for the current year and limits any increase in the rate levied in a given year to no more than 10 percent over the prior year's rate. The bill is subject to approval by the landowners of the district voting in a referendum conducted by mail ballot on or before December 31, 2026.

Fiscal or Economic Impact:

If approved by the landowners of the district, the bill will have an indeterminate positive impact on the North St. Lucie River Water Control District's revenues to the extent the district collects additional maintenance tax.

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ANALYSIS

EFFECT OF THE BILL:

Subject to a referendum, the bill increases the maximum annual per-acre maintenance tax for the North St. Lucie River Water Control District (district), an independent special district in St. Lucie County, from \$25 per acre to \$50 per acre and limits any increase in the rate levied by the district in a given year to no more than 10 percent over the prior year's rate. (Section 1)

The bill provides for a referendum to be conducted by the St. Lucie County Supervisor of Elections using a mail ballot. The referendum must be conducted among the landowners of the district voting on a one-acre/one-vote basis. The referendum must be held on or before December 31, 2026. (Section 2)

The bill was approved by the Governor on July 2, 2025, ch. 2025-241, L.O.F., and will become effective upon approval by a majority vote of landowners within the District voting in a referendum on or before December 31, 2026, except that sections 2 and 3 of the bill became effective on July 2, 2025. (Section 3)

FISCAL OR ECONOMIC IMPACT:

LOCAL GOVERNMENT:

If approved by the landowners of the district, the bill will have an indeterminate positive impact on the district's revenues to the extent the district collects additional maintenance tax.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

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. Special districts are created by general law, special act, local ordinance, or rule of

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

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 single municipality.⁶

Special districts are governed generally by the Uniform Special District Accountability Act (USDAA).⁷ The USDAA centralizes provisions governing special districts and applies to the formation,⁸ governance,⁹ administration,¹⁰ supervision,¹¹ merger,¹² and dissolution¹³ of special districts, unless otherwise expressly provided in law.¹⁴ The USDAA requires notice and publication of tentative budgets and final budgets.¹⁵ Certain budget amendments are allowed up to 60 days following the end of the fiscal year.¹⁶

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.¹⁷

Water Control Districts

Chapter 298, F.S., governs the creation and operation of water control districts (WCD). A WCD has authority and responsibility to construct, complete, operate, maintain, repair, and replace any and all works and improvements necessary to execute the water control plan adopted by that district. A WCD may build and construct any other

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

³ Intergovernmental Affairs Subcommittee, *Local Government Formation Manual*, p. 56 (last visited Mar. 13, 2025).

⁴ The method of financing a district must be stated in its charter. S<u>s. 189.02(4)(g), F.S.</u> and <u>189.031(3), F.S.</u> 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.*, <u>ch. 2023-335</u>, <u>s. 6 of s. 1</u>, <u>Laws of Fla.</u> (East River Ranch Stewardship District). *See also*, *e.g.*, ss. <u>190.021</u> (community development districts), <u>191.009</u> (independent fire control districts), <u>197.3631</u> (non-ad valorem assessments), <u>298.305</u> (water control districts), <u>388.221</u>, <u>F.S.</u> (mosquito control). *See also* <u>ch. 2004-397</u>, <u>s. 27 of s. 3</u>, <u>Laws of Fla.</u> (South Broward Hospital District).

⁵ S. <u>189.012(2)</u>, F.S.

⁶ S. <u>189.012(3)</u>, F.S.

⁷ S. <u>189.01, F.S.</u>, *but see* ch. 190, F.S. (community development districts), ch. 191, F.S. (independent special fire control districts), ch. 298, F.S. (water control districts), ch. 388, F.S. (mosquito control districts), and ch. 582, F.S. (soil and water conservation districts).

⁸ See ss. <u>189.02</u> (creation of dependent special districts) and <u>189.031, F.S.</u> (creation of independent special districts).

⁹ See <u>s. 189.0311, F.S.</u> (charter requirements for independent special districts).

¹⁰ See <u>s. 189.019</u>, F.S. (requiring codification of charters incorporating all special acts for the district).

¹¹ See s. 189.0651, F.S. (oversight for special districts created by special act of the Legislature).

¹² Ss. 189.071 and 189.074, F.S.

¹³ Ss. 189.071 and 189.072, F.S.

¹⁴ See, e.g., s. 190.004, F.S. (Ch. 190, F.S. as "sole authorization" for creation of community development districts).

¹⁵ S. 189.016(4), F.S.

¹⁶ S. 189.016(6), F.S.

¹⁷ See, e.g., ch. 2006-354, Laws of Fla. (Argyle Fire District may impose special assessments, but has no ad valorem tax authority).

¹⁸ S. 298.22, F.S.

works and improvements deemed necessary to preserve and maintain the works in or out of said district. A WCD also may acquire, construct, operate, maintain, use, purchase, sell, lease, convey, or transfer real or personal property, including pumping stations, pumping machinery, motive equipment, electric lines and all appurtenant or auxiliary machines, devices, or equipment.¹⁹

Most WCDs are governed by a three-member board composed of landowners within the district who are also residents of the county where the district is located.²⁰ A landowner meeting to elect the initial board must be noticed within 20 days after the effective date of the special act creating the district. The notice must be published at least once a week for two consecutive weeks in a newspaper of general circulation in each county in which the district is located and the last publication must be no less than 10 and no more than 15 days before the date of the meeting.

Landowners vote for the governing board of the district on a one-acre/one-vote basis, with the three people receiving the highest number of votes elected in the initial election.²¹ Landowners may vote in person or by a signed proxy that complies with the requirements of <u>s. 607.0722, F.S.</u> The landowners at the initial election determine the length of the term of office for the initial board, selecting one member to serve a one-, two-, or three-year term, respectively. All members subsequently elected serve a three-year term, with one member of the board elected by the landowners each year.²² Chapter 298, F.S., provides no authority to convert the governing board of a WCD to election by the qualified electors of the district on a one-person/one-vote basis.²³

North St. Lucie River Water Control District

The North St. Lucie River Water Control District (district) is an independent special district in St. Lucie County, created in 1918 under ch. 298, F.S., and recodified in 2013.²⁴ The district covers approximately 65,000 acres and 200 miles of canals.²⁵ The district is responsible for drainage, flood control and protection, water management, and reclamation of lands within the district.²⁶ The district's proposed Fiscal Year 2024-25 budget includes \$1.62 million in expenditures and \$1.65 million in revenues.²⁷ The district derives its revenues from a non-ad valorem maintenance tax assessed to landowners.²⁸ Currently, the district levies a uniform maintenance tax of \$24 per acre of land within the district's boundaries.²⁹

A board of three elected supervisors governs the district.³⁰ Section 298.11(2), F.S., authorizes qualified landowners in the district to annually elect one member of the Board of Supervisors. Landowners within the district may cast one vote for each acre of land owned and one additional vote for any fraction of an acre of land greater than one half.³¹

Local Bill Forms

The Florida Constitution prohibits the passage of any special act unless a notice of intention to seek enactment of the bill has been published as provided by general law or the act is conditioned to take effect only upon approval by referendum vote of the electors in the area affected.³² A legal advertisement of the proposed bill must be placed in a newspaper of general circulation or published on a publicly accessible website³³ at least 30 days prior to the

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<sup>19</sup> S. 298.22(3), F.S.
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²⁰ S. 298.11(1), F.S.

²¹ S. <u>298.11(2)</u>, F.S. Landowners who own less than one acre receive one vote, while landowners who own more than one acre are entitled to additional votes for any fraction of an acre greater than one-half owned in addition to votes equal to the number of whole acres owned.

²² S. <u>298.12(1), F.S.</u>

²³ See ss. 298.11, 298.12, F.S.

²⁴ Ch. 2013-257, Laws of Fla.

²⁵ North St. Lucie River Water Control District, *Welcome* (last visited Mar. 13, 2025).

²⁶ Id.

²⁷ North St. Lucie River Water Control District, <u>Budget and Financial Information</u> (last visited Mar. 13, 2025).

²⁸ *Id.*

²⁹ *Id.*

³⁰ *Id.* at 20.

³¹ *Id.* at 21.

³² Art. III, s. 10, Fla. Const.

³³ S. 50.0311(2), F.S.

introduction of the local bill in the House or Senate.³⁴ The bill takes effect only upon its approval in a referendum held on or before December 31, 2026.

The House local bill policy requires a completed and signed Local Bill Certification Form and Economic Impact Statement Form be filed with the Clerk of the House at the time the local bill is filed or as soon thereafter as possible.³⁵ Under the policy, a committee or subcommittee may not consider a local bill unless these forms have been filed. The following forms have been submitted for the bill:

- Local Bill Certification Form
- Economic Impact Statement Form

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³⁴ S. <u>11.02, F.S.</u> If there is no newspaper circulated throughout or published in the county and no publicly accessible website has been designated, notice must be posted for at least 30 days in at least three public places in the county, one of which must be at the courthouse.

³⁵ Intergovernmental Affairs Subcommittee, *Local Bill Policies and Procedures Manual*, p. 11 (last visited Mar. 13, 2025).