

## HOUSE OF REPRESENTATIVES LOCAL BILL STAFF ANALYSIS

**BILL #:** HB 993 Sebring Airport Authority, Highlands County

**SPONSOR(S):** Tuck

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

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Local Administration & Veterans Affairs Subcommittee	16 Y, 0 N	Mwakyanjala	Miller
2) Ways & Means Committee		LaTorre	Aldridge
3) State Affairs Committee			

### SUMMARY ANALYSIS

The Sebring Airport Authority (Authority) is an independent special district created in 1967 and its charter was recodified in 2005 and amended in 2011. The Authority is governed by a seven-member board with the power to hire employees, acquire property, maintain and operate airport facilities, enter into contracts, and issue revenue and general obligation bonds. Board members are authorized to be reimbursed for verified travel and other expenses.

The bill amends ch. 2005-300, Laws of Florida, revising the Authority's ability to issue bonds secured by and payable from any sources provided for in the chapter, as well as the tax treatment of such bonds. The bill also authorizes the Authority to enter into public-private partnerships and perform such other actions as necessary to implement the purposes of the charter. The threshold amount for the Authority to contract for certain services or purchases is changed to conform to the statutory amount required for state entities to comply with receiving competitive bids.

The Economic Impact Statement filed with the bill indicates that the bill will have a cost savings of \$24,620 for the fiscal year 2021-2022.

The bill will take effect upon becoming law.

# FULL ANALYSIS

## I. SUBSTANTIVE ANALYSIS

### A. EFFECT OF PROPOSED CHANGES:

#### **Present Situation**

##### Independent 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.<sup>1</sup> Special districts are created by general law, special act, local ordinance, or by rule of the Governor and Cabinet.<sup>2</sup> 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.<sup>3</sup>

A “dependent special district” is a special district where the membership of the governing body is identical to the governing body of a single county or municipality, all members of the governing body are appointed by the governing body of a single county or municipality, members of the district’s governing body are removable at will by the governing body of a single county or municipality, or the district’s budget is subject to the approval of governing body of a single county or municipality.<sup>4</sup> An “independent special district” is any district that is not a dependent special district.<sup>5</sup>

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.<sup>6</sup>

##### Governmental Purchasing and Public-Private Partnerships

There are five purchasing categories to be considered when a state government entity enters into an agreement or contract. If the total amount of a contract exceeds the Category Two threshold, then competitive bidding is required before the contract may be awarded. The threshold for Category Two is \$35,000.<sup>7</sup>

Public-private partnerships are contractual agreements formed between public entities and private sector entities that allow for greater private sector participation in the delivery and financing of public buildings and infrastructure projects.<sup>8</sup>

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

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

<sup>3</sup> 2020 – 2022 Local Gov’t Formation Manual, pp. 60-61, at

<https://myfloridahouse.gov/Sections/Documents/loaddoc.aspx?PublicationType=Committees&Committeed=3117&Session=2021&DocumentType=General+Publications&FileName=2021-2022+Local+Government+Formation+Manual.pdf> (last visited January 27, 2022).

<sup>4</sup> S. 189.012(2), F.S.

<sup>5</sup> S. 189.012(3), F.S.

<sup>6</sup> Art. VII, s. 9(a), Fla. Const.

<sup>7</sup> S. 287.017, F.S.

<sup>8</sup> See The Federal Highway Administration, United State Department of Transportation, Innovative Program Delivery website, available at <http://www.fhwa.dot.gov/ipd/p3/defined/index.htm> (last visited on January 27, 2022).

## Sebring Airport Authority

The Sebring Airport Authority (Authority) is a dependent special district created by the Legislature in 1967<sup>9</sup> and its charter was recodified in 2005<sup>10</sup> and amended in 2011.<sup>11</sup> The Authority is governed by a seven-member board serving terms of four years each. Appointments are selected by the Sebring city council from a list containing at least twice as many nominees as vacancies. Board members are authorized to be reimbursed for verified travel and other expenses.<sup>12</sup>

The board has the power to hire employees, acquire property, maintain and operate airport facilities, enter into contracts, and issue revenue and general obligation bonds.<sup>13</sup> Currently, the Authority must advertise for sealed bids at least once a week for 2 consecutive weeks before a contract may be awarded if the amount of the contract exceeds \$10,000.<sup>14</sup>

The chart below shows the total revenue and expenditures for the Authority for Fiscal Years 2017-2019, which is the latest financial information available:<sup>15</sup>

Year	Expenditures	Revenues
2017-2018	\$5,878,781	\$4,695,187
2018-2019	\$6,345,197	\$6,200,399
2019-2020	\$6,171,980	\$6,200,399

### **Effect of the Bill**

The bill amends ch. 2005-300, Laws of Florida, authorizing the Authority to issue bonds secured by and payable from any sources provided for in the chapter. Bonds may also be issued on an unsecured basis or as a general obligation of the authority. The bill authorizes the Authority to pledge all legally available funds for the repayment of debt and to enter into public-private partnerships. The bill also revises the Authority's required bidding threshold to the statutory Category Two level and permits the Authority to engage or participate in public-private partnerships.

The Economic Impact Statement filed with the bill indicates that the bill will have a cost savings of \$24,620 for the fiscal year 2021-2022.

### **B. SECTION DIRECTORY:**

Section 1. Amends ch. 2005-300, Laws of Fla., revising powers of the Authority and providing guidance for the issuance of bonds.

Section 2. Provides that the act shall take effect upon becoming law.

## **II. NOTICE/REFERENDUM AND OTHER REQUIREMENTS**

A. NOTICE PUBLISHED? Yes  No

IF YES, WHEN? October 8, 2021.

<sup>9</sup> Ch. 67-2070, Laws of Fla.

<sup>10</sup> Ch. 2005-300, Laws of Fla.

<sup>11</sup> Ch. 2011-265, Laws of Fla.

<sup>12</sup> Ch. 2005-300, s. 4, Laws of Fla.

<sup>13</sup> *Supra* note 8.

<sup>14</sup> Ch. 2005-300, s. 8, Laws of Fla.

<sup>15</sup> 2017 and 2018 expenditures and revenues can be found in Sebring Airport Authority, *Financial Statements Year Ended September 20, 2018*, available at <https://www.sebringregionalairportcommunityredevelopmentagency.com/wp-content/uploads/2019/03/2018-SAA-Audited-Financial-Statements-Final.pdf> (last visited January 27, 2022). 2019 expenditure and revenue can be found in Sebring Airport Authority, *Financial Statements Year Ended September 30, 2019*, available at <https://www.sebringregionalairportcommunityredevelopmentagency.com/wp-content/uploads/2021/06/CRA-Sebring-Airport-2019-Audited-Financial-Statements.pdf> (last visited January 27, 2022).

WHERE?                    The *Highlands News-Sun*, a newspaper published in Highlands County, Florida.

B. REFERENDUM(S) REQUIRED?    Yes     No

IF YES, WHEN?

C. LOCAL BILL CERTIFICATION FILED?    Yes     No

D. ECONOMIC IMPACT STATEMENT FILED?    Yes     No

### III. COMMENTS

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

This bill neither authorizes nor requires administrative rulemaking by executive branch agencies.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

### IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

None.