

HOUSE OF REPRESENTATIVES STAFF FINAL BILL ANALYSIS

BILL #: HB 993 Sebring Airport Authority, Highlands County

SPONSOR(S): Tuck

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

FINAL HOUSE FLOOR ACTION: 107 Y's 0 N's **GOVERNOR'S ACTION:** Pending

SUMMARY ANALYSIS

HB 993 passed the House on February 25, 2022, and subsequently passed the Senate on March 10, 2022.

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 authorizes the Authority to enter into public-private partnerships and perform such other actions as necessary to implement the purposes of the charter. Finally, the bill revises the Authority's required bidding threshold for competitive bids for certain services or purchases to conform to the statutory Category Two level for state agencies, which is \$35,000.

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

Subject to the Governor's veto powers, the effective date of this bill is upon becoming a law.

I. SUBSTANTIVE INFORMATION

A. EFFECT OF 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.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

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.⁴ An “independent special district” is any district that is not a dependent special district.⁵

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.⁶

Governmental Purchasing and Public-private Partnerships

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

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.⁸

Sebring Airport Authority

The Sebring Airport Authority (Authority) is a dependent special district created by the Legislature in 1967⁹ and its charter was recodified in 2005¹⁰ and amended in 2011.¹¹ The Authority is governed by a

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

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

³ 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 on February 3, 2022).

⁴ S. 189.012(2), F.S.

⁵ S. 189.012(3), F.S.

⁶ Art. VII, s. 9(a), Fla. Const.

⁷ S. 287.017, F.S.

⁸ See The Federal Highway Administration, United States Department of Transportation, Innovative Program Delivery website, available at <http://www.fhwa.dot.gov/ipd/p3/defined/index.htm> (last visited on February 3, 2022).

⁹ Ch. 67-2070, Laws of Fla.

¹⁰ Ch. 2005-300, Laws of Fla.

¹¹ Ch. 2011-265, Laws of Fla.

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.¹²

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.¹³ Currently, the Authority must advertise for sealed bids at least once a week for two consecutive weeks before a contract may be awarded if the amount of the contract exceeds \$10,000.¹⁴

The chart below shows the total revenue and expenditures for the Authority for Fiscal Years (FYs) 2017-2019, which is the latest financial information available.¹⁵

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.

The bill revises the Authority’s required bidding threshold to the statutory Category Two level, which is \$35,000, and permits the Authority to engage or participate in public-private partnerships.

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

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:

¹² Ch. 2005-300, s. 4, Laws of Fla.
¹³ *Supra* note 8.
¹⁴ Ch. 2005-300, s. 8, Laws of Fla.
¹⁵ 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 on February 3, 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 on February 3, 2022).

None.

2. Expenditures:

None.

C. ECONOMIC IMPACT STATEMENT FILED? Yes No

D. NOTICE PUBLISHED? Yes No

IF YES, WHEN? October 8, 2021.

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

E. REFERENDUM(S) REQUIRED? Yes No

IF YES, WHEN?