

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Community Affairs

BILL: SB 718

INTRODUCER: Senator Yarborough

SUBJECT: Municipal Boundaries

DATE: March 14, 2023

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Hunter	Ryon	CA	Pre-meeting
2.	_____	_____	GO	_____
3.	_____	_____	RC	_____

I. Summary:

SB 718 requires a municipality to conduct a feasibility study before conducting an annexation or contraction. The bill removes the ability of a municipality to annex an area without any registered electors using an alternative mechanism. The bill removes the requirement that a municipality provide specific findings when rejecting a contraction petition.

The bill also revises municipal contraction procedures to require that if more than 70 percent of the land to be contacted is owned by private entities that are not registered electors, the area may not be contracted unless the owners of a majority of the acreage in the area consent to the contraction.

The bill takes effect on July 1, 2023.

II. Present Situation:

Municipal Annexation

A municipality may propose to annex any area of contiguous, compact, unincorporated territory by ordinance or may be petitioned for annexation by owner(s) of “contiguous... and reasonably compact” real property.¹ An area is considered “contiguous” if a substantial part of its boundary is coterminous with a part of the boundary of the municipality.² An area is compact if it is concentrated in a single area and does not create enclaves, pockets, or finger areas.³ All lands to be annexed must be in the same county as the annexing municipality.⁴

¹ Sections 171.0413(1) and 171.044(1), F.S.

² Section 171.031(11), F.S.

³ Section 171.031(12), F.S.

⁴ Section 171.045, F.S.

The governing body of a municipality may only propose annexation of an area that is contiguous, reasonably compact, and is either:⁵

- Developed for “urban purposes,” which is defined as having a resident population or at least two persons per acre, having a resident population of at least one person per acre if the area is subdivided into lots where at least 60 percent of the total number of lots are 1 acre or less in size, or at least 60 percent of the total number of lots meet one of the preceding definitions and at least 60 percent of the total acreage not used for non-residential “urban purposes” is subdivided into lots of 5 acres or less;
- Lies between the municipal boundary and an area developed for “urban purposes”; or
- Adjacent, on at least 60 percent of its external boundary, to any combination of the municipal boundary and areas developed for “urban purposes.”

A municipality may begin the annexation process by adopting a non-emergency ordinance.⁶ The municipality is required to hold two advertised public meetings before the adoption of the ordinance, one held on a weekday at least seven days after the publication of the first advertisement and one held on a weekday at least five days after the publication of the second advertisement. At least 10 days prior to the first public meeting, the governing body of the municipality must provide written notice to all residents and property owners in the area proposed for annexation.⁷ The notice must contain the annexation proposal, the time and location of the public meeting, and locations where the proposed ordinance may be inspected by the public.

Before adopting an annexation ordinance, a municipality is required to prepare a report that contains:⁸

- Plans to provide urban services to the area to be annexed;
- A map or maps of the municipality and adjacent territory showing the present and proposed municipal boundaries, the present major trunk water mains and sewer interceptors and outfalls, the proposed extensions of such mains and outfalls, and the general land use pattern in the area to be annexed;
- A statement certifying the area meets the annexation criteria specified in s. 171.043, F.S.; and
- A statement setting forth the plans of the municipality for extending to the area to be annexed each major municipal service performed within the municipality at the time of annexation.

The governing body of the municipality must file a copy of the report with the governing body of the county within 15 days of the commencement of annexation procedures.⁹ Failure to submit the report to the county in a timely manner may invalidate the annexation.

The municipality must submit the adopted annexation ordinance to a referendum in the area to be annexed.¹⁰ The municipality may also choose to submit the ordinance to the voters of the municipality for approval. If more than 70 percent of the area to be annexed is not owned by registered voters, the municipality must obtain the consent of landowners owning at least 50

⁵ Section 171.043, F.S.

⁶ Section 171.0413(1), F.S. A non-emergency ordinance is adopted using standing procedures specified by s. 166.041, F.S.

⁷ Section 171.042(3), F.S.

⁸ Section 171.042(1), F.S.

⁹ Section 171.042(2), F.S.

¹⁰ Section 171.0413(2), F.S.

percent of area to be annexed before conducting the referendum.¹¹ The referendum may be conducted during the next regularly scheduled election or at a special election.¹² The referendum must not be held until at least 30 days after the adoption of the ordinance and must be advertised in a newspaper of general circulation in the area to be annexed.¹³ If the referendum is approved by the voters, the annexation occurs on the effective date provided by the ordinance.¹⁴ If the voters reject annexation, the municipality may not propose annexation of the same area in the two years following the referendum.

If the area to be annexed has no registered electors, the area may be annexed without a referendum if the municipality obtains the consent of landowners representing both 50 percent of acreage and 50 percent of the parcels in the area to be annexed.¹⁵

Alternatively, the owner(s) of real property in a contiguous, reasonably compact, and unincorporated area of the county may petition a municipality for annexation.¹⁶ The municipality must determine that all land owners in the area to be annexed have signed the petition and publish notice of the annexation before passing an ordinance annexing the area. A copy of the ordinance, including a map and a metes-and-bounds legal description of the area, must be filed with the clerk of the circuit court, the chief administrative officer of the county, and the Department of State within seven days after adopting the annexation ordinance. An area may not be annexed using this process if the annexation would result in the creation of an enclave.¹⁷

Municipal Contraction

A municipality may initiate the contraction of its boundaries by ordinance¹⁸ or by a petition signed by of fifteen percent of the qualified voters in the area to be excluded.¹⁹ The petition must be filed with the clerk of the municipal governing body. Upon receipt of a petition, the municipality must undertake a study of the feasibility of the proposal and either initiate the proceedings or reject the petition, stating the facts upon which the rejection is based, within six months.²⁰

Once the contraction proposal is initiated, the governing body must publish notice of the proposed contraction ordinance at least once a week for two consecutive weeks in a newspaper of general circulation in the municipality.²¹ This notice must:

- Include a description of the area to be excluded;
- Show the area fails to meet the general criteria for annexation;
- Set the time and place for the municipal governing body meeting at which the proposed ordinance will be considered; and
- Advise that all affected persons may be heard.

¹¹ Section 171.0413(5), F.S.

¹² Section 171.0413(2)(a), F.S.

¹³ Section 171.0413(2)(a)-(b), F.S.

¹⁴ Section 171.0413(2)(e), F.S.

¹⁵ Section 171.0413(6), F.S.

¹⁶ Section 171.044, F.S.

¹⁷ Section 171.044(5), F.S.

¹⁸ Section 171.051(1), F.S.

¹⁹ Section 171.051(2), F.S.

²⁰ *Id.*

²¹ Section 171.051(3), F.S.

Voter approval of the contraction is required if the municipal governing body calls for a referendum election on the question in the area proposed for exclusion or residents of that area submit a petition at the public meeting signed by at least 15 percent of the area's qualified voters. The date for the referendum is determined by the method used to call for the referendum.²² The municipal governing body is required to publish notice of the referendum election at least once a week for two consecutive weeks in a newspaper of general circulation in the municipality or in the area proposed to be excluded.²³ If a majority of electors voting in the referendum opposes contraction, the municipality is prohibited from proposing the exclusion of the area in a contraction ordinance for a period of least two years.²⁴

An area removed from a municipality must fail to meet the criteria for annexation.²⁵ Under these criteria, an area to be annexed must be contiguous to the annexing municipality, must be reasonably compact, and must not be located within the boundaries of another municipality.²⁶ For annexation, an area must also meet one of the following criteria:

- The area is developed for urban purposes;²⁷
- The area links the municipality with areas developed for urban purposes;²⁸ or
- At least 60 percent of the boundary of the area is adjacent to the municipal boundary and lands developed for urban purposes.²⁹

The results of the contraction must not separate any portion of the municipality from the rest of the municipality.³⁰ The contracting ordinance must provide for apportionment of any prior existing debt and property.³¹ The county and the municipal governing body must reach an agreement determining which debt or property will be transferred to the county, the fair value of the debt or property, and the manner of transfer and financing.³² An area that has been contracted is no longer subject to municipal laws, ordinances, or regulations and becomes subject to any laws, ordinances, or regulations of the county as of the effective date of the contraction.³³

III. Effect of Proposed Changes:

This bill amends the Municipal Annexation or Contraction Act in ch. 171, F.S.

The bill requires a municipality to conduct a feasibility study before conducting an annexation or contraction. The bill defines a feasibility study as an analysis conducted by qualified staff or

²² Section 171.051(6), F.S. If a referendum is required due to the filing of a petition signed by at least 15 percent of the area's qualified voters, the referendum must occur at the next regularly scheduled election. If the referendum is called at the discretion of the municipal governing body, a special election is called no sooner than 30 days after the verification of the petition or the passage of the resolution or ordinance calling for a referendum.

²³ Section 171.051(7), F.S.

²⁴ Section 171.051(10), F.S.

²⁵ Section 171.052(1), F.S.

²⁶ Section 171.043(1), F.S.

²⁷ Section 171.043(2), F.S.

²⁸ Section 171.043(3)(a), F.S.

²⁹ Section 171.043(3)(b), F.S.

³⁰ Section 171.052(1), F.S.

³¹ Section 171.052(2), F.S.

³² Section 171.061(2), F.S.

³³ Section 171.062(3), F.S.

consultants of the economic, market, technical, financial, and management feasibility of the proposed annexation or contraction.

The bill removes the ability of a municipality to annex an area that does not have any registered electors upon consent of landowners representing a majority of the acreage and parcels in the area be annexed.

The bill removes the requirement that a municipality provide specific findings when rejecting a contraction petition.

The bill revises municipal contraction, to require that if more than 70 percent of the acres of land in an area proposed to be contracted is owned by private entities that are not registered electors, the area may not be contracted unless the owners of more than fifty percent of acreage in the area consents to the contraction. This provision mirrors requirements in current law for municipal annexation.

The bill is effective July 1, 2023.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. **Government Sector Impact:**

To the extent that a local government must pay for a feasibility study to be undertaken there may be some costs to local governments.

VI. **Technical Deficiencies:**

None.

VII. **Related Issues:**

None.

VIII. **Statutes Affected:**

This bill substantially amends the following sections of the Florida Statutes: 171.031, 171.0413, 171.042, 171.051, and 171.204.

IX. **Additional Information:**

A. **Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. **Amendments:**

None.