

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

BILL: CS/SB 2640

SPONSOR: Comprehensive Planning, Local and Military Affairs Committee and Senator Jones

SUBJECT: Monroe County

DATE: April 5, 1999

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Bowman</u>	<u>Yeatman</u>	<u>CA</u>	<u>Favorable/CS</u>
2.	_____	_____	<u>RC</u>	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

I. Summary:

The bill is a special act which creates the Village of Key Largo contingent upon referendum approval by the voter of the area to be incorporated. The bill includes a proposed municipal charter for the Village of Key Largo.

II. Present Situation:

Chapter 165, Florida Statutes

Florida law governing the formation and dissolution of municipal governments is found in chapter 165, F.S., the "Formation of Municipalities Act." The stated purpose of the "Formation of Municipalities Act" is to provide standards, direction, and procedures for the incorporation of municipalities, and to achieve the following goals:

- Orderly patterns of growth and land use;
- Adequate public services;
- Financial integrity in government;
- Equity in fiscal capacity; and
- Fair cost distribution for municipal services.

Under Florida law, there is only one way to establish a city government where no such government existed before: the Legislature must pass a special act enacting the city's charter. The special act must include a proposed municipal charter that prescribes the form of government and clearly defines the legislative and executive functions of city government, and cannot prohibit tax levies authorized by law.

The 1996 Legislature revised s. 165.041, F.S., to require completion of a feasibility study for any area requesting incorporation. The purpose of the study is to enable the Legislature to determine

whether or not the area: 1) meets the statutory requirements for incorporation, and 2) is financially feasible. Specifically, the study must include:

- Data and analysis to support the conclusions that incorporation is necessary and financially feasible.
- Population projections and population density calculations and an explanation concerning methodologies used for such analysis.
- Evaluation of the alternatives available to the area to address its policy concerns.
- Evidence that the proposed municipality meets the standards for incorporation of s. 165.061, F.S. These standards are:
 - The area to be incorporated must be compact and contiguous and amenable to separate municipal government.
 - The area must have a total population of at least 1,500 persons in counties with a population of less than 50,000, as determined in the latest official state census, special census, or estimate of population in the area proposed to be incorporated, and of at least 5,000 population in counties with a population of more than 50,000.
 - The area must have an average population density of at least 1.5 persons per acre or have extraordinary conditions requiring the establishment of a municipal corporation with less existing density.
 - The area must have a minimum distance of any part of the area proposed for incorporation from the boundaries of an existing municipality within the county of at least 2 miles or have an extraordinary natural boundary which requires separate municipal government.

Recent Municipal Incorporations

From 1972 to the present, at least 14 municipalities were either created by special act (Lake Mary, Sanibel, Destin, Jacob City, Midway, DeBary, Ft. Myers Beach, Deltona, Wellington, Weston, Islamorada, Marco Island, and Suntree) or recreated by special act after previous incorporation under authority of general law in effect prior to 1974 (Seminole). The cities of Key Biscayne, Aventura and Pinecrest were created under the charter provisions of Dade County's Charter. The following table indicates recent municipal incorporations by year, city, county, enabling law, and any other applicable chapter of the Laws of Florida:

Recent Municipal Incorporations

Date	City	County	Authority
1970	SEMINOLE	Pinellas	general law
1972	SEMINOLE	Pinellas	ch. 72-693
1973	LAKE MARY	Seminole	ch. 73-522
1974	SANIBEL	Lee	ch. 74-606
1983	JACOB CITY	Jackson	ch. 83-434
			ch. 84-456
1984	DESTIN	Okaloosa	ch. 84-422
			ch. 85-471
1986	MIDWAY	Gadsden	ch. 86-471
1991	KEY BISCAWAYNE	Dade	Dade Charter
1993	DEBARY	Volusia	ch. 93-351
			ch. 93-363
1995	AVENTURA	Dade	Dade Charter
1995	PINECREST	Dade	Dade Charter
1995	FT. MYERS BCH.	Lee	ch. 95-494
1995	DELTONA	Volusia	ch. 95-498
1995	WELLINGTON	Palm Beach	ch. 95-496
1996	WESTON	Broward	ch. 96-472
1997	ISLAMORADA	Monroe	ch. 97-348
1997	MARCO ISLAND	Collier	ch. 97-367
1997	SUNTREE	Brevard	ch. 97-352

Recently Failed Incorporations

Over the years, a number of incorporation attempts have failed. Since 1980, some Floridians have rejected municipal government by voting down the incorporation efforts of:

- Deltona (1987 & 1990)
- Fort Myers Beach (1982 & 1986)
- A City in the Halifax area of Volusia County (1985)
- The City of Marco Island (1980/1982/1986/1990/1993)
- The City of Spring Hill (1986)
- The City of Port LaBelle (1994)
- The City of Destiny (1995)
- The City of Ponte Vedra (1998)

Municipal Dissolutions

During the last decade or so, several cities have been dissolved:

- Bayview in Bay County by chapter 77-501, L.O.F.;
- Munson Island in Monroe County by chapter 81-438, L.O.F.;
- Painters Hill in Flagler County by chapter 81-453, L.O.F.;
- Hacienda Village in Broward County by chapter 84-420, L.O.F.; and
- Pennsuco in Dade County under authority of the Dade County Charter.

State Shared Revenues

Section 218.23, F.S., specifies the eligibility criteria for participation in the municipal revenue program. Many of these criteria require certification of financial information which newly incorporated cities would not have. In addition, cities are required to levy taxes which result in a specified level of revenue.

Local Option Gas Taxes

Pursuant to s. 336.025(1)(a), F.S., counties may levy a tax of 1 to 6 cents on every net gallon of motor and diesel fuel sold in a county. Tax proceeds may be used to fund “transportation expenditures,” as defined in s. 336.025(7), F.S. Tax proceeds are shared with municipalities within the county by interlocal agreement or by the distribution formula set forth in statute. One component in the statutory formula includes the transportation expenditures of the municipality for the preceding 5 fiscal years, as a proportion of the total expenditures for the county and all municipalities within the county.

The Proposed Village of Key Largo

Key Largo is located in the Northern part of the Florida Keys in Monroe County. The community is a world-renowned vacation destination popular among tourists for fishing, camping, diving, and “eco tourism.” The estimated resident population is approximately 13,000, and during the tourist season the population swells to nearly 30,000.

Section 380.0552, F.S., designates the Florida Keys as an area of state critical concern. The purpose of the designation is to establish a land use management system that protects the environment and community character of the Florida Keys. The Department of Community Affairs closely regulates all planning activities that occur in the Florida Keys.

Citizens for Island Government is a grass-roots community group which have spearheaded the effort for incorporation. The primary reason for incorporation is due to dissatisfaction with Monroe County. The feasibility study lists the following reasons:

- Lack of responsiveness of the elected County Commissioners to local issues;
- Poorly delivered services by Monroe County;

- Inadequate recreational land and programs provided by Monroe County;
- Poor maintenance of secondary roads by Monroe County;
- Lack of control over destiny of the community; and
- Delayed responsiveness by Monroe County to natural disasters.

III. Effect of Proposed Changes:

Exceptions to General Law

The reviews of the feasibility study and charter by the Department of Revenue, Legislative Committee on Intergovernmental Relations conclude that the community of Key Largo does not meet some of the statutory requirements for becoming a municipality set forth in s. 165.061, F.S. The area is compact and contiguous and meets the minimum population requirement of 5,000 persons. However, the area does not meet the minimum density requirement of 1.5 persons per acre; nor does the area meet the minimum 2-mile limit within the proximity of an existing municipality. These unmet standards would be waived by virtue of the approval of this special act by the Legislature.

In addition, the special act waives several requirements of general law regarding revenue sharing. The bill provides that the requirements of s. 218.23(1), F.S., would be waived from the date of incorporation through the state fiscal year of 2000-2001. Also, the bill would waive the prerequisites a municipality must fulfill for receiving local option gas tax revenue set forth in s. 336.025, F.S.

According to the Department of Revenue, the proposed incorporation will result in a projected loss of revenue to Monroe County of \$1,105,529 annually. The other cities in Monroe County will also experience a combined loss of \$326,006 in annual revenue because of the redistribution of state revenue-sharing funds.

The Proposed Village of Key Largo Charter

This bill authorizes a referendum for the creation of the Village of Key Largo and provides for its charter. The charter contains provisions for :

- ▶ A citizens bill of rights;
- ▶ A five-member village council, elected at-large;
- ▶ The appointment of a village manager;
- ▶ Financial Procedures;
- ▶ Elections;
- ▶ Initiative and Referendum Procedures;

- ▶ Charter Amendments; and
- ▶ An Incorporation Referendum.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The incorporation of the Village of Key Largo would reduce the amount of revenue sharing dollars received by Monroe County. In addition, according to the Department of Revenue, there is a projected loss of revenue to Monroe County of \$1,105,529 annually. The other cities in Monroe County will also experience a combined loss of \$326,006 in annual revenue because of the redistribution of state revenue-sharing funds.

VI. Technical Deficiencies:

None.

VII. Related Issues:

A public hearing on the bill was held on February 24, 1999 at the Key Largo Library in Key Largo, Florida. The bill was not advertised but is conditioned to take effect only upon approval by referendum vote of the electors in the area to be incorporated as required by Article III, Section 10 of the Florida Constitution.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
