



An Overview of Florida's Special Districts

Jack Gaskins Jr., *Special District Accountability Program*

May 2018





Welcome!

This presentation summarizes general aspects of special districts in Florida. The covered topics listed below may be of interest to citizens, elected officials and state, county, municipal and special district staff:

- Special District Basics
- Transparency and Accountability
- Oversight and Enforcement
- Common Issues Regarding Special Districts
- Additional Resources and Contact Information

Special District Basics



The Nuts and Bolts of Special Districts

Florida's special districts today.



What is a “special district”?

A special district is a unit of local government created for a special purpose, as opposed to a general purpose, that has jurisdiction to operate within a limited geographic boundary and is created by:

- general law,
- special act,
- local ordinance, or
- rule of the Governor and Cabinet.

These specific entities are not special districts:

- School districts.
- Community college districts.
- Seminole and Miccosukee Tribe Special Improvement Districts.
- Municipal service taxing or benefit units (MSTUs / MSBUs).
- Boards that provide electrical service and are a political subdivision of a municipality or a part of a municipality.



Dependent or Independent “Status”?

Special districts are either dependent or independent.

- A special district is dependent if a single county or single municipality has one or more of the following powers:
 - Authority to designate all of its own governing body members to also serve as the governing body for the special district.
 - Authority to appoint all members to the special district’s governing body.
 - Authority to remove any governing body member at will during unexpired terms.
 - Authority to approve or veto the special district’s budget.
- A special district is independent if it does not have any dependent characteristics.

Significance:

- Authority to create.
- How they are created.
- Reporting requirements.



Creating Dependent Special Districts

The Florida Legislature may create a dependent special district by passing a special act.

A single county or a single municipality may create a dependent special district by passing a local ordinance.

General law authority creates certain types of special districts that a county or municipality may enact by passing a resolution declaring the need for the special district, such as:

- Educational Facilities Authorities
- Industrial Development Authorities
- Municipal Housing Authorities



Creating Independent Special Districts

The Florida Legislature may create an independent special district by passing a special act.

A county or municipality may create an independent Community Development District by passing a local ordinance.

A county, by passing a local ordinance, may create an independent:

- County Health and Mental Health Care District
- County Hospital District
- County Children's Services District

The Governor and Cabinet, by rule, may create an independent:

- Community Development District larger than 2,500 acres
- Regional Water Supply Authority

More than one county and/or municipality may create a regional special district pursuant to general law authority.



Dissolving or Merging Special Districts

A county or municipality may pass an ordinance to dissolve or merge a special district that is created by ordinance.

The Legislature may pass a special act to dissolve or merge a special district that it created by special act.

The citizens may approve a referendum to dissolve or merge an independent special district if previously approved by a referendum.

Two or more contiguous independent special districts created by special act that have similar functions and governing bodies may voluntarily merge under specified circumstances.

In some situations, it is possible for certain independent special districts to convert to a municipality.



A Glance at Florida's Special Districts

Every parcel in Florida is covered by at least one special district.

Some special districts are large and operate in multiple counties.

Other special districts serve small neighborhoods using all volunteer staff.

Many special districts operate with very little funding (less than \$3,000 per year) or no funding at all.

Not all special districts have taxing authority.



A Glance at Florida's Special Districts

Special districts in Florida include those that:

- Allow new residential, commercial and industrial developments to occur by financing, building and maintaining common infrastructure and facilities (e.g., roads, landscaping, drainage, and water and sewer).
- Help attract businesses and retail establishments to specific areas by redeveloping, improving and maintaining commercial areas and facilities (e.g., sidewalks, facades, parking, signs and roadways).
- Protect life and property (e.g., fire control and rescue, flood control and emergency medical services).
- Provide major infrastructure and facilities serving large areas (e.g., airports, roads and bridges, expressways, sea ports, waterways, water management and utility systems).
- Help make Florida a desirable place to work, live, visit and play (e.g., civic, health, educational, conservation, parks, bicycle paths, beach, sports and recreational facilities).



A Glance at Florida's Special Districts

Totals as of May 2018:

Active independent special districts: 1,064

- Active dependent special districts: 632

- **Total:** **1,696**

- Active single county special districts: 1,620

- Active multicounty special districts: 76

- **Total:** **1,696**

- Total mergers (since 2010): 8

- Total dissolutions (since 1990): 382

- Total inactive: 3



A Glance at Florida's Special Districts

Top 10 (out of 81) special purposes as of May 2018:

1. Community development:	648
2. Community redevelopment:	224
3. Housing authorities:	91
4. Drainage and water control:	83
5. Fire control and rescue:	63
6. Soil and water conservation:	58
7. Neighborhood enhancement:	47
8. Hospital (various types):	28
9. Health facilities:	27
10. Neighborhood improvement (various types):	27



A Glance at Florida's Special Districts

Common types of special district governing bodies:

- Elected.
- Identical to a single county or a single municipality.
- Appointed by a single county or a single municipality.
- Appointed by more than a single county or a single municipality.
- Appointed by the Governor.
- Combination of appointed and elected.
- Other / combination.



A Glance at Florida's Special Districts

Common types of special district revenue sources:

- Non ad valorem
- Ad valorem
- Tax increment financing
- User fees
- Federal government
- State government
- Local government:
 - County
 - Municipality
- Grants
- Investments
- Bond issuer fees
- Tolls
- Donations
- Sales and leases
- Private enterprise
- Sales surtax
- None



Reasons for Creating Special Districts

Special districts empower citizens to govern their own neighborhood or community.

Special districts serve as a financing mechanism for the public and private sectors to govern, finance, construct, operate and maintain essential public services and facilities.

Special districts provide enhanced or specialized public services in response to citizen demand that a county or municipality may be unable or unwilling to offer.

Special districts focus costs on only those who benefit from the services and facilities as opposed to everyone.

Special districts save money for citizens by selling tax-exempt bonds, purchasing goods and services tax-free and participating in state programs and initiatives, such as state-term contracting.



Reasons for Creating Special Districts

Special districts can help protect property values by ensuring that services and facilities are continuously provided and maintained.

Regional and multi-county special districts can provide governmental services when needs transcend the boundaries, responsibilities and authority of individual counties and municipalities.

Special districts provide the ability to appoint or elect people who have the appropriate expertise, skills and experience to govern and oversee the special district's specialized function.

Special districts ensure accountability of public resources, since special districts are held to the same high standards as municipalities and counties – and then some.

Accountability and Transparency



How are special districts held accountable and transparent?

Numerous laws promote special district accountability and transparency.



Laws Require Accountability and Transparency

A special district's charter: the creation document covering a special district's specified powers.

Specific statutory authority: covers a special district's special purpose.

Florida Constitution (e.g., pledging credit, bond financing and taxes).

Laws of a general nature (e.g., public records, public meetings, financial reporting, elections and ethics).

Chapter 189, Florida Statutes, the *Uniform Special District Accountability Act* (e.g., specific standards of operation, conduct, accountability, transparency, reporting and cooperation and coordination with counties and municipalities).

- This law requires special districts to follow accountability laws specifically for special districts plus the same accountability laws counties and municipalities must follow.



Special District Accountability Program Support

The Special District Accountability Program, within the Florida Department of Economic Opportunity (DEO):

- Provides technical advisory assistance to help special districts comply with the requirements of the *Uniform Special District Accountability Act*.
- Coordinates with 16 state agencies to produce the [Florida Special District Handbook Online](#) to help special districts comply with state laws.
- Posts on the Program's website noncompliance status reports filed by other state agencies listing special districts that did not comply with statutory reporting requirements; helps those special districts comply.
- Files petitions for enforcement in the circuit court when special districts neglect to come into compliance after receiving help.
- Continuously maintains the [Official List of Special Districts Online](#) to facilitate communication and coordination between 685-plus state and local agencies concerning special district reporting and state monitoring.
- Declares special districts inactive for dissolution when a special district meets certain criteria.



Special Districts Must have an Official Website*

Examples of required website postings:

- A statement describing its public purpose.
- A description of its boundaries or service areas.
- A description of services provided.
- The full charter (creation document).
- General contact information.
- Contact information for each governing body member.
- A listing of all taxes, fees, assessments or charges imposed and collected; rates or amounts for the current fiscal year.
- The regular public meeting schedule.
- Meeting and workshop agendas.
- The final adopted budget and certain budget amendments.
- Links to financial reports.
- Code of ethics information.

*Newly created special districts must have an official website by the end of the first full fiscal year after creation.



Special Districts Must Hold Open Meetings

Special district meetings must be open to the public and governed by the provisions of Chapter 286, Florida Statutes (Public Business).

In addition, special districts must prepare a regular public meeting schedule quarterly, semiannually or annually that:

- Provides the date, time and location of each meeting.
- Provides a statement on how to appeal an official decision
- Is made available to the public by:
 - Publishing it in the legal notices/classified advertisement section of a local newspaper of general paid circulation and general interest and readership.
 - Filing it with the county or municipality in which the special district has territory.
 - Posting it on the special district's official website.



Special Districts Must Hold Open Meetings

At least seven days before a meeting or workshop, each special district must post the following on its official website and keep it there for at least one year:

- Meeting / workshop agendas.
- Meeting materials, when available in an electronic format, excluding confidential and exempt information.

Meetings must be held in one of the following types of buildings:

- A public building when available within the district.
- The local county courthouse.
- A building in the county that is accessible to the public.

Minutes must be promptly recorded and made available for public inspection.



Special Districts Must Adopt a Budget

Special districts required to hold a budget hearing pursuant to section 200.065, Florida Statutes, (fixing millage) or some other law must post the tentative budget on its official website at least two days before the budget hearing and keep it there for at least 45 days.

Special districts must adopt by resolution an annual budget at a regular public meeting that:

- Follows generally accepted accounting principles.
- Shows budgeted revenues and expenditures by organizational unit for each fund.
- Shows budget details at least at the same level of detail required for the Annual Financial Report.
- Is posted on its official website within 30 days after adoption and remains there for at least two years.

An officer of a special district may not expend or contract for expenditures except pursuant to the adopted budget.



Accountability to Local Government

Special districts are accountable to and must cooperate and coordinate their activities with the county or municipality in which the special district is located.

Each special district must inform the appropriate county or municipality of its activities by filing the following:

- Budget, tax levy or financial information as requested.
- Public facilities reports (certain independent special districts).
- Registered agent and registered office information.
- Regular public meeting schedule.



Accountability to State Government

Special districts are accountable to state government. To keep the public informed about its status and activities, each special district must file information and reports with state agencies, including the following:

- Registered agent and office information, creation documents, boundary maps and an official website address (DEO).
- The Annual Financial Report, which discloses annual revenues, expenditures, and debt (Florida Department of Financial Services).
- The Annual Financial Audit Report (when threshold is met) covering the results of a financial audit that was conducted and prepared by a licensed independent certified public accountant selected by an auditor selection committee (Florida Auditor General).
- If applicable, certain bond financing information (Florida Division of Bond Finance, State Board of Administration).
- If applicable, retirement plan reports (Florida Department of Management Services, Division of Retirement).

Oversight and Enforcement



How are special districts overseen?

What can happen when special districts do not comply with laws?



Special District Oversight and Enforcement

The oversight, and when necessary enforcement, of special districts is very similar to the oversight and enforcement of counties and municipalities.

- The special district's governing body members are responsible for ensuring the special district complies with applicable laws and governs the special district according to its charter and enabling laws.
- Florida's open meeting and records laws enable citizens and the media to oversee and monitor special districts by reviewing public records and attending governing body meetings to observe the discussions, deliberations and formal actions.
- Citizens can contact their local state attorney's office for information concerning public record law violations and other violations.
- Citizens can file ethics related complaints with the Florida Commission on Ethics, which may investigate the complaints and issue fines if warranted.



Special District Oversight and Enforcement

- Licensed independent certified public accountants conducting required financial audits of special districts must report suspected illegal activity to the special district's governing body or the Florida Department of Law Enforcement.
- The Florida Auditor General's Office:
 - Performs desk audits on Annual Financial Audit Reports to make sure the audits comply with auditing standards and rules.
 - Tracks findings repeated for more than two years and reports them to the Joint Legislative Auditing Committee for possible further state action.
- The Joint Legislative Auditing Committee:
 - May investigate audit matters, use its powers of subpoena, and order a state audit by the Florida Auditor General.
 - May request DEO to file a petition for enforcement with the circuit court or declare a special district inactive for dissolution when special districts fail to comply with certain financial reporting requirements.



Special District Oversight and Enforcement

- The Governor's office monitors special districts and provides technical assistance when a special district meets one or more financial emergency conditions.
- The Governor may suspend or remove special district governing body members under certain circumstances.
- Counties and municipalities may initiate at least one of the following actions if one of its dependent special districts does not comply with certain requirements:
 - Remove and replace special district body members at will.
 - Deny approval of the special district's budget.
 - Veto the special district's budget.
 - Amend the special district's charter.
 - Merge the special district.
 - Dissolve the special district.



Special District Oversight and Enforcement

- Depending on how a special district was created, an appropriate oversight entity may:
 - Convene a public hearing when a special district fails to comply with certain financial reporting requirements.
 - Convene a general oversight review process of a special district to contribute to informed decision-making about the special district, including whether it should continue to exist. Examples of criteria to be considered during the review include:
 - The degree to which the special district's services are essential.
 - The extent of continuing need for the services.
 - Whether a less costly alternative method of delivering the services exists.
 - Whether the special district is meeting and discharging its responsibilities as required by its charter.
 - Whether the special district has complied with open public records and meeting requirements.

Common Issues Regarding Special Districts



What can private individuals do?



Common Issues Regarding Special Districts

DEO does not have authority to enforce provisions of law related to the day-to-day operations of special districts, nor can we provide legal opinions or advice to private individuals. For legal assistance, consult a private attorney.

The following resources have been useful to others who have had questions or concerns regarding special districts. The information is not intended as legal advice.

- Reach out to the special district's registered agent, manager, or one or more governing body members.
- Review the special district's latest financial audit to find out more information about the special district (special districts meeting the financial threshold in [section 218.39\(1\), Florida Statutes](#), must provide for a financial audit conducted by an independent certified public accountant).



Common Issues Regarding Special Districts

- Review the special district's charter, which requires the special district to undertake certain activities to ensure compliance with its purposes, functions and missions, along with local requirements such as zoning and permitting. Charters are located on the [special district's official website](#).
- Reach out to the appropriate oversight entity that has authority to review the special district for general oversight purposes. For more information, see [section 189.068, Florida Statutes](#).
- Contact local law enforcement regarding a concern about possible criminal activity.
- Contact the local elected state attorney in the area where the special district is located regarding a concern about a possible violation of open meeting and public records law.
- Contact the [Florida Commission on Ethics](#) regarding a concern about a possible violation of Florida's ethics laws.
- Contact the appropriate state House and Senate representatives to discuss concerns (see [Find Your Elected Officials in Florida](#)).

Conclusion



Additional Resources

Contact Information



Additional Resources

Special District Accountability Program:

- www.FloridaJobs.org/SpecialDistricts

Florida Special District Handbook:

- www.FloridaJobs.org/SpecialDistrictHandbook

Official List of Special Districts:

- www.FloridaJobs.org/OfficialList

Specialty Area Contacts:

- www.FloridaJobs.org/SpecialDistrictHelp

Contact Information



Thank You.

If you have questions or comments about this presentation, please contact our office.



DEO Special District Accountability Program

Jack Gaskins Jr.

Direct Line: **850-717-8430**

Email: [**Jack.Gaskins@DEO.MyFlorida.com**](mailto:Jack.Gaskins@DEO.MyFlorida.com)