

APPROPRIATIONS COMMITTEE

Tuesday, April 7, 2015
1:30 PM – 3:30 PM
212 Knott Building

Revised

Steve Crisafulli
Speaker

Richard Corcoran
Chair



The Florida House of Representatives

Appropriations Committee

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Speaker

Richard Corcoran
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AGENDA

Tuesday, April 7, 2015
212 Knott Building
1:30 PM – 3:30 PM

I. Call to Order/Roll Call

II. Opening Remarks

III. Consideration of the following bills:

CS/HB 695 Ad Valorem Taxation by Finance & Tax Committee, Avila, Cortes, B.

CS/HB 1063 Government Accountability by Government Operations Subcommittee, Metz

CS/HB 1127 Insurance Fraud by Insurance & Banking Subcommittee, Sullivan

HB 1247 Alcoholic Beverages by Avila, Berman



HB 7115 Capital Recovery by Finance & Tax Committee, Fant

HB 7135 State Lands by State Affairs Committee, Caldwell

IV. Adjournment

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 695 Ad Valorem Taxation
SPONSOR(S): Finance & Tax Committee, Avila, Cortes, B. and others
TIED BILLS: IDEN./SIM. BILLS:

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Finance & Tax Committee	10 Y, 6 N, As CS	Dugan	Langston
2) Appropriations Committee		Hawkins 	Leznoff 

SUMMARY ANALYSIS

Currently, property tax payers can contest their property assessments to the value adjustment board (VAB). The committee substitute revises the composition, procedures, and oversight of the VAB process. Specifically, the committee substitute:

- Requires that a petition to the VAB must be signed by the taxpayer or be accompanied by the taxpayer's written authorization for representation.
- Revises provisions related to the exchange of evidence.
- Provides that failure by either party to timely comply with the evidence exchange rules results in the exclusion of the requested evidence unless the request for evidence was made prior to the petition being filed.
- Provides clarification on the confidentiality of information in the evidence exchange process.
- Requires "good cause" to be shown for the initial rescheduling of a hearing.
- Requires the VAB submit the certified assessment roll to the property appraiser by June 1 annually.
- Restricts the qualifications of those who can represent the taxpayer before the VAB.
- Changes composition of the VAB from county commissioners, school board members, and citizen members to all citizen residents of the county appointed by their legislative delegation.
- Specifies that in the appointment/scheduling of special magistrates no consideration is to be given to assessment reductions recommended by any special magistrate.
- Authorizes the school board and county commission to audit the expenses related to the VAB.
- Elaborates on what is required in the VAB's findings of fact and conclusions of law.

Interest rates for disputed property taxes at the VAB are changed from 12 percent to the prime rate.

The committee substitute creates a review process for any county that receives 10,000 or more VAB petitions in one year. If the DOR elects to conduct such a review, the committee substitute sets forth the way the review is conducted and requires the DOR to report its findings to the Legislature.

The committee substitute authorizes the property appraiser to contract for services to examine or audit homestead tax exemptions claimed on assessment rolls; contractors are paid from penalties. It also authorizes persons falsely claiming a homestead exemption to enter into a payment plan. A tax lien based on a false homestead claim would be collected in the same manner as, and in addition to, the current ad valorem taxes.

The committee substitute requires the notice of proposed property tax (TRIM notice) to contain a breakout of millage attributable to each of the county constitutional officers.

The Revenue Estimating Conference evaluated the impacts of some of the provisions of the committee substitute and identified several local government revenue impacts. See the FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT.

This committee substitute may be a county or municipality mandate requiring a two-thirds vote of the membership of the House. See Section III.A.1 of the analysis.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Property Taxes in Florida

Current Situation

The Florida Constitution reserves ad valorem taxation to local governments and prohibits the state from levying ad valorem taxes on real and tangible personal property.¹ The ad valorem tax is an annual tax levied by counties, cities, school districts, and some special districts based on the value of real and tangible personal property as of January 1 of each year.² The Florida Constitution requires that all property be assessed at just value for ad valorem tax purposes,³ and it provides for specified assessment limitations, property classifications and exemptions.⁴

After the property appraiser considers any assessment limitation or use classification affecting the just value of a property, an assessed value is produced. The assessed value is then reduced by any exemptions to produce the taxable value.⁵ Citizens may appeal their assessed value informally to the property appraiser, or to the county value adjustment board (VAB) or circuit court.

The Ad Valorem Process

Each property appraiser must submit an assessment roll to the Department of Revenue (DOR) by July 1 of the assessment year to determine if the rolls meet all the appropriate requirements of law relating to form and just value. Assessment rolls include, in addition to taxable value, other information on the property located within the property appraiser's jurisdiction, such as just value, assessed value, and the amount of each exemption or discount.⁶

Step 1

In addition to sending the assessment roll to the DOR, each property appraiser must certify to its taxing authorities the taxable value of all property within its jurisdiction no later than July 1 of the assessment year, unless extended for good cause by the DOR.⁷

Step 2

The taxing authority uses the taxable value provided by the property appraiser to prepare a proposed millage rate (i.e., tax rate) that is levied on the property's taxable value.⁸ Within 35 days of certification of the taxable value by the property appraiser (typically by August 4 of the assessment year), the taxing authority must advise the property appraiser of its proposed millage rates.⁹

¹ FLA. CONST. art. VII, s. 1(a).

² Section 192.001(12), F.S., defines "real property" as land, buildings, fixtures, and all other improvements to land. The terms "land," "real estate," "realty," and "real property" may be used interchangeably. Section 192.001(11)(d), F.S., defines "tangible personal property" as all goods, chattels, and other articles of value (but does not include the vehicular items enumerated in article VII, section 1(b) of the Florida Constitution and elsewhere defined) capable of manual possession and whose chief value is intrinsic to the article itself.

³ FLA. CONST. art. VII, s. 4.

⁴ FLA. CONST. art. VII, ss. 3, 4, and 6.

⁵ s. 196.031, F.S.

⁶ s. 193.114, F.S.

⁷ s. 193.023(1), F.S.

⁸ s. 200.065(2)(a)1., F.S.

⁹ s. 200.065(2)(b), F.S.

Step 3

The property appraiser uses the proposed millage rates provided by the taxing authorities to prepare the notice of proposed property taxes, commonly referred to as the Truth in Millage (TRIM) notice.¹⁰ Generally, the TRIM notice must be mailed no later than 55 days after certification of taxable value by the property appraiser (typically by August 24 of the assessment year).¹¹

Step 4

Any property owner who disagrees with the assessment in the TRIM notice or who was denied an exemption or property classification may:

- request an informal meeting with the property appraiser;¹²
- appeal to the county value adjustment board;¹³ or
- challenge the assessment in circuit court.¹⁴

A petition to the VAB may be filed, as to valuation issues, at any time during the taxable year on or before the 25th day following the mailing of the TRIM notice (typically by September 18 of the assessment year).¹⁵ With respect to an issue involving the denial of an exemption, a property classification application, or a deferral, the petition must be filed at any time during the taxable year on or before the 30th day following the mailing of the TRIM notice (typically September 23 of the assessment year).¹⁶

Step 5

VAB hearings must begin between 30 and 60 days after the mailing of the TRIM notice (typically between September 23 and October 8 of the assessment year).¹⁷ The VAB must remain in session from day to day until all petitions, complaints, appeals, and disputes are heard.¹⁸ Current law does not establish a date when the VAB hearings must be concluded. As of February 26, 2015, 35 counties had completed their VAB appeals for 2014 and reported that information to the DOR.¹⁹ Miami-Dade and Broward Counties are in the process of completing their 2013 VAB proceedings.

Step 6

After all VAB hearings are held, the VAB-adjusted assessment roll is submitted by the VAB to the property appraiser²⁰ and to the DOR.²¹ After making any adjustments to the assessment rolls caused by the VAB hearings, the property appraiser will certify the tax roll to the tax collector (typically before November 1 of the assessment year or as soon thereafter as the certified tax roll is received by the tax collector).²²

Step 7

The tax collector will then send tax bills within 20 working days to all properties owing tax within his or her jurisdiction.²³ Property taxes are due once a year, and can be paid beginning November 1st of the

¹⁰ s. 200.069, F.S.

¹¹ See s. 200.065(2)(b), F.S.

¹² s. 194.011(2), F.S.

¹³ s. 194.011(3), F.S.

¹⁴ s. 194.171, F.S.

¹⁵ s. 194.011(3)(d), F.S.

¹⁶ s. 194.011(3)(d), F.S.

¹⁷ s. 194.032(1)(a), F.S.

¹⁸ s. 194.032(3), F.S.

¹⁹ For spreadsheets containing the VAB petition summaries as reported to the DOR, see FLORIDA DEPARTMENT OF REVENUE, PROPERTY TAX DATA PORTAL: VAB SUMMARY available at <http://dor.myflorida.com/dor/property/resources/data.html> (last visited on March 20, 2015).

²⁰ s. 193.122(2), F.S.

²¹ s. 193.122(1), F.S.

²² s. 193.122(2), F.S.

²³ s. 197.322(2), (3), F.S.

assessment year.²⁴ Generally, taxes become delinquent if not paid in full as of April 1st of the year after assessment.²⁵ Delinquent taxes will accrue interest until paid,²⁶ and may accrue penalties in certain circumstances.²⁷

The following chart summarizes key dates in this process:

"Typical Deadline" ²⁸	Actor	Action
Jan. 1, 2013	Property Appraiser	Property value is determined as of this date ("assessment date")
July 1, 2013	Property Appraiser	Submit assessment roll to DOR
July 1, 2013	Property Appraiser	Certify taxable value to Tax Collector
Aug. 4, 2013	Tax Collector	Submit proposed millage rates to Property Appraiser
Aug. 24, 2013	Property Appraiser	Mail TRIM notice to Property Owners
Sept. 23, 2013	Property Owner	File petition to VAB
Oct. 8, 2013	VAB	Begin VAB hearings
Nov. 1, 2013	VAB	Submit adjusted assessment roll to Property Appraiser
Nov. 28, 2013	Tax Collector	Mail tax bill to Property Owners
March 31, 2014	Property Owner	Pay tax bill

Proposed Changes

The committee substitute amends s. 193.122(1), F.S., to require the VAB to complete the certification and submit each final assessment roll to the property appraiser by June 1 following the tax roll year.

Value Adjustment Board Process

Current Situation

Chapter 194, F.S., provides for administrative and judicial review of ad valorem tax assessments. Each county in Florida has a VAB composed of five members²⁹ that hears petitions pertaining to property assessments made by the county property appraiser.³⁰ The VAB hears evidence from both the petitioner and property appraiser as to whether a property is appraised at its fair market value, as well as issues related to tax exemptions, deferments, and portability.³¹

Petition Procedures

The property owner may initiate a review by filing a petition with the clerk of the VAB.³² A petitioner before the VAB may be represented by an attorney or agent.³³ DOR rules state, "The agent need not be a licensed individual or person with specific qualifications and may be any person, including a family member, authorized by the taxpayer to represent them before the value adjustment board."³⁴ Generally,

²⁴ s. 197.333, F.S.

²⁵ s. 197.333, F.S.

²⁶ s. 197.152, F.S.

²⁷ See s. 196.161, F.S.

²⁸ The chart is provided for illustrative purposes. The deadline refers to the date the actor typically must take action; however, the deadline may be changed by other circumstances not identified in the chart.

²⁹ s. 194.015, F.S.

³⁰ s. 194.011, F.S. The VAB also hears complaints about homestead exemptions and appeals exemption, deferral, or classification decisions. s. 194.032(1)(a), F.S.

³¹ Additionally, VABs appoint special magistrates, who are qualified real estate appraisers, personal property appraisers or attorneys, to act as impartial agents in conducting hearings and making recommendations on all petitions. s. 194.035(1), F.S.

³² s. 194.011(3)(b), F.S.

³³ s. 194.034(1)(a), F.S.

³⁴ Rule 12D-9.018(3), F.A.C.

a petitioner before the VAB must pay all of the non-ad valorem assessments and make a partial payment of the ad valorem taxes before the taxes become delinquent.³⁵

The clerk of the VAB³⁶ is responsible for receiving completed petitions, acknowledging receipt to the taxpayer, sending a copy of the petition to the property appraiser, and scheduling appearances before the value adjustment board. The petitioner may reschedule the hearing a single time by submitting to the clerk a written request to reschedule, at least five calendar days before the day of the originally scheduled hearing.³⁷ VAB petition forms may be found at the DOR website, the County Property Appraiser's office, and in most counties at the office or website of the VAB Clerk.³⁸ There is no statutory requirement that the petitioner sign the VAB petition. However, DOR rules state, "A petition filed by an unlicensed agent must also be signed by the taxpayer or accompanied by a written authorization from the taxpayer."³⁹

A petitioner is required to provide the property appraiser with a list of evidence, copies of documentation, and summaries of testimony at least 15 days prior to the hearing.⁴⁰ If the petitioner provides this information, and sends the appraiser a written request for responsive information, the appraiser must provide a list of evidence and copies of documentation to be presented at the hearing, including the "property record card"⁴¹ but only if the petitioner checks the appropriate box on the form.⁴² The property appraiser is not required to provide a copy of the property record card if it is available online. The property record card is a record of assessment information maintained by the property appraiser for assessed properties in his or her jurisdiction. Currently, information submitted to the VAB as evidence generally becomes public record and is subject to Florida's public records laws.⁴³

Proposed Changes

The committee substitute amends s. 194.011, F.S., to require that a petition to the VAB must be signed by the taxpayer or be accompanied by the taxpayer's written authorization for representation by a person specified in s. 194.034(1)(a), F.S. A written authorization is valid for 1 tax year, and a new written authorization by the taxpayer shall be required for each subsequent tax year.

The committee substitute modifies the procedures for the exchange of evidence. When the property appraiser responds to the petitioner's request for evidence, the property appraiser must include the petitioner's property record card (unless available online) and the property record cards for any comparable property listed as evidence (with confidential information redacted). If the petition challenges the assessed value of the property, the evidence list must also include a copy of the form signed by the property appraiser documenting adjustments made to the recorded selling price or fair market value of the property pursuant to those factors described in s. 193.011(8), F.S. In current law, s. 193.011, F.S., lists eight factors to be taken into account by the property appraiser in arriving at just valuation. Subsection (8) ("the eighth criteria") of that section is specific to the factor that removes the seller's costs of sale from the sales price as one of the adjustments to price made in arriving at just value. Most property appraisers, when using mass appraisal techniques, reduce the selling price by 15 percent to account for the eighth criteria. The property appraiser reports its eighth criteria adjustments to the DOR on form DR-493.

³⁵ s. 194.014(1), F.S.

³⁶ The county clerk usually serves as the clerk of the value adjustment board. s. 194.015, F.S.

³⁷ s. 194.032(2)(a), F.S.

³⁸ s. 194.011(3)(a), F.S.

³⁹ Rule 12D-9.018(4), F.A.C.

⁴⁰ s. 194.011(4)(a), F.S.

⁴¹ s. 194.011(4)(b), F.S.

⁴² s. 194.032(2)(a), F.S.

⁴³ Informal, Fla. Op. Att'y Gen. (April 30, 2010) available at

<http://www.myfloridalegal.com/ago.nsf/Opinions/946D6B5DA86200268525771B00485776>; FLORIDA DEPARTMENT OF REVENUE PROPERTY TAX INFORMATIONAL BULLETIN, PTO 10-07 – VALUE ADJUSTMENT BOARD HEARINGS AND CONFIDENTIALITY (May 27, 2010).

Under the committee substitute, failure by either party to timely comply with the evidence exchange provisions results in the exclusion from consideration by the value adjustment board of any evidence that was requested in writing and not timely provided. Provisions related to evidence exchange only apply to VAB proceedings after the petitioner has served notice of intention to challenge the property appraiser's assessment of value or classification of property pursuant to s. 194.011, F.S. Evidence that is confidential under current law shall remain confidential until it is submitted to the value adjustment board for consideration and admission into the record, unless used for impeachment purposes.

The committee substitute would require "good cause" to be shown for an initial rescheduling of a hearing. The board will be required to hear all petitions, complaints, appeals, and disputes and must submit the certified assessment roll as to the property appraiser by June 1 annually.

The committee substitute would restrict people who can represent the taxpayer to:

- a corporate representative of the taxpayer,
- an attorney,
- a person with power of attorney,
- a licensed property appraiser,
- a licensed realtor,
- a certified public accountant, or
- a certified tax specialist retained by the taxpayer.

Value Adjustment Board Members and Special Magistrates

Current Situation

The VAB membership must consist of two members of the governing body of the county as elected from the membership of the board of said governing body (one of whom shall be elected chairperson), one member of the school board as elected from the membership of the school board, and two citizen members.⁴⁴ A quorum of three members of the board must include at least:

- One member of the governing body of the county.
- One member of the school board.
- One citizen member.

In addition, current law requires counties with a population greater than 75,000 to hire special magistrates to conduct valuation hearings.⁴⁵ Before conducting hearings, a board must hold an organizational meeting to appoint special magistrates and legal counsel and to perform other administrative functions.⁴⁶ Special magistrates must meet the following qualifications:

- A special magistrate appointed to hear issues of exemptions and classifications shall be a member of The Florida Bar with no less than five years' experience in the area of ad valorem taxation.
- A special magistrate appointed to hear issues regarding the valuation of real estate shall be a state certified real estate appraiser with not less than five years' experience in real property valuation.
- A special magistrate appointed to hear issues regarding the valuation of tangible personal property shall be a designated member of a nationally recognized appraiser's organization with not less than five years' experience in tangible personal property valuation.

Proposed Changes

The committee substitute provides for five citizen members of the board appointed by the county's local legislative delegation. The membership shall be comprised as follows:

⁴⁴ s. 194.015, F.S.

⁴⁵ s. 194.035, F.S.

⁴⁶ s. 194.011(5)(a)2., F.S.

- One member must be an owner of homestead property in the county.
- One member must own commercial property in the county.
- One member must be a licensed appraiser who is a resident of the county (if no resident property appraiser available, the member can be a homestead or commercial property owner who is a resident).
- The remaining two members of the value adjustment board must be residents of the county.

Any three members shall constitute a quorum of the board, and no meeting shall take place unless a quorum is present. The Department of Business and Professional Regulation must provide continuing education credits to appraiser members of value adjustment boards. The committee substitute makes per diem payments for members of the board mandatory. The committee substitute further clarifies that counsel may not represent any property appraiser or any tax collector in any administrative or judicial review of property taxes.

The committee substitute specifies that in the appointment/scheduling of special magistrates no consideration is given to assessment reductions recommended by any special magistrate either in the current year or in any prior year.

Value Adjustment Board Expenditures

Current Situation

Two-fifths of the expenses of the VAB shall be borne by the district school board and three-fifths by the district county commission. The expense of hearings before magistrates and any compensation of special magistrates shall be borne three-fifths by the board of county commissioners and two-fifths by the school board.⁴⁷ Current law does not provide the district school board or county commission the authority to audit the expenses related to the VAB process.

Proposed Changes

The committee substitute authorizes the district school board and district county commission to audit the expenses related to the value adjustment board process.

Determinations of VAB

Current Situation

Current law requires VABs to render a written decision within 20 calendar days after the last day the board is in session.⁴⁸ The decision of the VAB must contain findings of fact and conclusions of law and must include reasons for upholding or overturning the determination of the property appraiser.⁴⁹ If a special magistrate has been appointed, the recommendations of the special magistrate shall be considered by the VAB. The clerk of the VAB, upon issuance of a decision, shall notify each taxpayer and the property appraiser of the decision of the VAB. If requested by the DOR, the clerk shall provide to the DOR a copy of the decision or information relating to the tax impact of the findings and results of the board as described in s. 194.037, F.S., in the manner and form requested.

In 2011, the Florida Legislature created s. 194.014, F.S., to require taxpayers challenging their assessments to pay at least 75 percent of the ad valorem taxes before those taxes become delinquent. If the VAB determines that the petitioner owes ad valorem taxes in excess of the amount paid, the unpaid amount accrues interest at the rate of 12 percent per year from the date the taxes became

⁴⁷ s. 194.035, F.S.

⁴⁸ s. 194.034(2), F.S.

⁴⁹ s. 194.034(2), F.S.; see also rules 12D-9.030, 12D-9.032, and 12D-10.003(3), F.A.C.

delinquent until the unpaid amount is paid.⁵⁰ If the VAB determines that a refund is due, the overpaid amount accrues interest at the rate of 12 percent per year from the date the taxes became delinquent until a refund is paid.⁵¹ Interest does not accrue on amounts paid in excess of 100 percent of the current taxes due as provided on the tax notice.

Similarly, taxpayers who file a petition in circuit court must pay the tax collector an amount not less than the amount of tax which the taxpayer admits in good faith to owe. If the court finds that the amount of tax owed by the taxpayer is greater than the amount the taxpayer has in good faith admitted and paid, it enters a judgment against the taxpayer for the deficiency and for interest on the deficiency at a rate of 12 percent.⁵²

Even if a petitioner is successful in an administrative or judicial challenge, current law does not permit the petitioner to recoup the fees charged by his or her representative before the board (i.e., attorney or other professional).

Proposed Changes

The committee substitute elaborates on what is required in the VAB's findings of fact and conclusions of law. Specifically:

- Findings of fact must be based on admitted evidence or a lack thereof.
- Conclusions of law must be logically connected to the findings of fact and must be stated in statutory terms.
- Written decisions must also include a series of checklist forms, as provided by the department, identifying each statutory criterion applicable to the assessment determination.

The committee substitute changes the amount of interest that accrues on disputed ad valorem property taxes from 12 percent to the bank prime loan rate as determined by the Federal Reserve on July 1 or the first business day thereafter. Currently, the bank prime rate is published on a website titled "H.15 Selected Interest Rates" and is 3.25 percent.⁵³ The committee substitute does not change the interest rate for amounts in dispute for court proceedings.

The Revenue Estimating Conference determined the interest rate change in the committee substitute is expected to have a positive, recurring impact on local governments. Most petitioners in Miami-Dade County, which has the highest number of VAB petitions, pay the full amount of ad valorem taxes and earn interest at 12 percent annually on the overpaid amount if successful in the petition; the result is more interest is paid out to petitioners than the amount of interest brought in to the county on underpaid taxes.⁵⁴

Reviews of VABs by the DOR

Current Situation

The DOR has general supervision authority over the assessment and valuation of property so that all property is placed on the assessment rolls and valued according to its just valuation.⁵⁵ Additionally, the DOR prescribes and furnishes all forms as well as prescribes rules and regulations to be used by property appraisers, tax collectors, clerks of circuit court, and VABs in administering and collecting ad

⁵⁰ s. 194.014(2), F.S.

⁵¹ s. 194.014(2), F.S.

⁵² s. 194.192, F.S.

⁵³ FEDERAL RESERVE, H.15 SELECTED INTEREST RATES (March 9, 2015) *available at* <http://www.federalreserve.gov/releases/h15/current/> (last visited March 15, 2015).

⁵⁴ Discussion from Revenue Estimating Conference, Impact Conference, Value Adjustment Boards: HB 695 (March 13, 2015).

⁵⁵ s. 195.002, F.S.

valorem taxes.⁵⁶ The DOR was statutorily directed to conduct training for special magistrates and develop a Uniform Policies and Procedures Manual for use by the VABs.⁵⁷ The DOR has created VAB training materials⁵⁸ and rules that provide guidance for the VAB process.⁵⁹

Current law provides that the property appraiser may appeal a decision of the VAB to the circuit court.⁶⁰ However, first, the property appraiser must notify the DOR that he or she believes that there exists a consistent and continuous violation of the intent of the law or administrative rules by the VAB in its decisions and provide the DOR with certain supporting information. If the DOR finds upon investigation that a consistent and continuous violation of the intent of the law or administrative rules by the board has occurred, it informs the property appraiser, who may then bring suit in circuit court against the VAB for injunctive relief to prohibit continuation of the violation of the law or administrative rules and for a mandatory injunction to restore the assessment roll to its just value in such amount as determined by judicial proceeding. Affected taxpayers have 60 days from the date of the final judicial decision to file an action to contest any altered or changed assessment.

Proposed Changes

The committee substitute sets up a review process for any county that receives 10,000 or more petitions to the VAB in one year. DOR may conduct a review of those counties proceedings as follows:

- The department shall determine whether the values derived by the board comply with the eight valuation criteria considered by the property appraiser s. 193.011, F.S., and professionally accepted appraisal practices.
- The VAB must submit verbatim copies of the proceedings to DOR following the final tax roll certification.
- DOR would statistically sample petitions heard by the value adjustment board requesting a change in the assessment for each class of property (e.g., residential, commercial, industrial, etc.). The department shall adhere to all the standards to which the VABs are required to adhere.
- The VAB must provide the data requested by the department, including documentary evidence presented during the proceedings and written decisions rendered.

The DOR is required to complete its review no later than six months after the VAB has adopted a final determination of the tax roll. The department shall publish the results of each review on the department's website and shall include the following with regard to every parcel for which a petition was filed:

- The name of the owner.
- The address of the property.
- The identification number of the property as used by the value adjustment board clerk, such as the parcel identification number, strap number, alternate key number, or other number.
- The name of the special magistrate who heard the petition, if applicable.
- The initial just value derived by the property appraiser.
- Any change made by the value adjustment board that increased or decreased the just value of the parcel.

Upon publication of the data and findings, DOR shall notify the committees of the Senate and of the House of Representatives having oversight responsibility for taxation, the appropriate value adjustment board, the property appraiser, and the county commission chair or corresponding official under a consolidated charter. Copies of the data and findings shall be provided upon request.

⁵⁶ ch. 195, F.S.

⁵⁷ s. 194.035, F.S.

⁵⁸ FLORIDA DEPARTMENT OF REVENUE, 2014 VAB TRAINING (2014) *available at* <http://dor.myflorida.com/dor/property/vab/training.html> (last visited March 15, 2015).

⁵⁹ See chapter 12D-9, F.A.C.

⁶⁰ s. 194.036(1)(c), F.S.

The department shall find the value adjustment board to be in continuous violation of the intent of the law if the department, in its review, determines that less than 90 percent of the petitions randomly sampled comply with the statutory valuation criteria set forth in s. 193.011, F.S. and professionally accepted appraisal practices. The committee substitute allows the property appraiser to file suit in circuit court against the VAB.

The committee substitute gives the DOR rule making authority to implement this program.

Fraudulent Homestead Exemption Claims

Current Situation

If delinquent ad valorem taxes are not paid by June 1 of the year after assessment, the County holds a tax certificate sale for real property located in the County on which the taxes became delinquent in that year.⁶¹ A tax lien certificate is an interest bearing first lien representing unpaid delinquent real estate property taxes; however, it does not convey any property rights or ownership to the certificate holder.

The property owner has a period of two years from the date the taxes became delinquent to redeem the tax certificate by paying to the County the total due, including accrued interest.⁶² After the two year period, if the taxes remain unpaid, the lien holder may make an application for tax deed auction with the County.⁶³ If tax deed auction proceedings begin, the property owner must pay all due and delinquent years, plus fees and interest to stop the sale of their property at public auction.⁶⁴ If the tax certificate is not redeemed or sold at auction after seven years, the tax certificate is cancelled and considered null and void.⁶⁵

Current law provides that if a property owner was granted a homestead exemption, but was not entitled to it, the property appraiser will send the owner a notice of intent to file a tax lien on any property owned by the owner in that county.⁶⁶ The property owner has 30 days to pay the taxes owed, plus penalties and interest.⁶⁷ If not paid within 30 days of notice, the property appraiser may file a tax lien;⁶⁸ however, it is unclear under current administration of this law whether the property appraiser must file the tax lien. Even if a tax lien is filed, current administration of the law does not follow the tax certificate process described above. Instead, the tax lien remains on the property until it is paid or expires after 20 years.⁶⁹

Proposed Changes

The committee substitute would authorize the property appraiser to contract for services to examine or audit homestead tax exemptions claimed on assessment rolls. Agreements for such contracted services must provide that compensation will consist solely of the penalties collected on the assessments resulting from the examination or audit and the removal of exemptions from previous and current year tax rolls. A property appraiser contracting for such services is entitled the related interest assessed on previous and current year's assessment rolls. After distributing the compensation for such contracted services and the interest retained by the property appraiser, the tax collector shall distribute any back taxes collected under chapter 197.

⁶¹ s. 197.432, F.S.

⁶² s. 197.502, F.S.

⁶³ s. 197.502, F.S.

⁶⁴ s. 197.472, F.S.

⁶⁵ s. 197.482, F.S.

⁶⁶ s. 196.161, F.S.

⁶⁷ s. 196.161, F.S.

⁶⁸ s. 196.161, F.S.

⁶⁹ s. 95.091(1)(b), F.S.

The committee substitute would authorize persons determined to have falsely claimed a homestead exemption to enter into a written monthly payment plan with the tax collector for the payment of the taxes, penalties, and interest. A tax lien based on a false homestead claim that is not paid in full or in compliance with a written payment plan shall be included in the next assessment roll and shall be collected in the same manner as, and in addition to, the current ad valorem taxes under chapter 197.

TRIM Notice Format

Current Situation

Current law provides the specific elements and required content and format of the TRIM notice, including the information required to appear in columnar form and the information underneath each column heading.⁷⁰ The DOR prescribes the TRIM notice forms; however, a property appraiser may use a different form, provided that, among other things, it is substantively similar to the one prescribed by DOR.⁷¹ Although the TRIM notice provides information related to the millage rates and dollar amount of taxes levied,⁷² it does not specify how the millage rate and amount of taxes are attributable to the budgets of each constitutional officer.⁷³

Proposed Changes

The committee substitute amends s. 129.03, F.S., to require the board of county commissioners to specify in the budget summary the proportionate amount of the proposed county tax millage and the proportionate amount of gross ad valorem taxes attributable to the budgets of the sheriff, the property appraiser, the clerk of the circuit court and county comptroller, the tax collector, and the supervisor of elections, respectively. The committee substitute further amends s. 200.065, F.S., to require the TRIM notice to contain subheading entries for the proportionate amount of gross ad valorem tax or millage attributable to the budget of the sheriff, the property appraiser, the clerk of the circuit court and county comptroller, the tax collector, and the supervisor of elections.

Auditor General Report

In May of 2014, the Florida Auditor General issued a report on county value adjustment boards and the DOR's oversight.⁷⁴ The report made the following findings (the committee substitute contains language relating to the findings in bold):

- **Independence in the appeal process at the local level may have been compromised due to local officials involved in the process who may not have been impartial and whose operations are funded with the same property tax revenue at stake in the appeal process.** Additionally, enhanced uniformity in the way VABs document compliance with appeal process requirements, and the establishment of general information on Florida's property tax system for use Statewide by all VABs in complying with DOR Rule requiring the VABs to discuss general information on Florida's property tax system and how taxpayers can participate,⁷⁵ could promote fairness and consistency in the appeal process.
- Noncompliance with DOR rules for one VAB that gave the appearance of bias and undue influence in the appeal process in at least one instance.

⁷⁰ See s. 200.069, F.S.

⁷¹ In addition, the property appraiser's office may use a substantially similar form if that office pays related expenses and obtains prior written permission from the DOR's executive director.

⁷² This information was added to the required information by Ch. 2009-165, Laws of Fla.

⁷³ "Constitutional officers" means sheriff, property appraiser, clerk of court and county comptroller, tax collector, and supervisor of elections.

⁷⁴ STATE OF FLORIDA AUDITOR GENERAL, COUNTY VALUE ADJUSTMENT BOARDS AND DEPARTMENT OF REVENUE'S OVERSIGHT THEREOF: PERFORMANCE AUDIT (May 2014).

⁷⁵ Rule 12D-9.013(1)(i), F.A.C.

- Special magistrates served on multiple VABs during the same tax year, which appears to be inconsistent with the State Constitution dual office holding prohibition.⁷⁶
- **Selection of special magistrates may not have been based solely on experience and qualifications**, contrary to law and DOR rules, and verification of such information was not always documented.
- Special magistrate training was not verified by the DOR prior to issuing statements acknowledging receipt of training, and one VAB did not document special magistrate training in its records.
- Verification of compliance with law and DOR rules relating to VAB prehearing requirements was not always documented.
- VAB organizational meetings were not always held in accordance with the requirements prescribed by DOR rules.
- Prescribed procedures for commencing VAB hearings were not always followed by the VABs, contrary to DOR rules.
- Some VAB's records did not evidence consideration of the property appraiser's presumption of correctness issue, and one VAB did not consider this issue first at hearings, contrary to DOR rules.
- **VAB written decisions were not always sufficiently detailed contrary to law and DOR rules.**⁷⁷
- Public notice of VAB organizational meetings and hearings were not always in accordance with DOR rules.
- VABs did not always allocate expenses between the board of county commissioners and the school board, contrary to law.
- VAB citizen members did not always meet the specific requirements provided in law and DOR rules to serve on the VABs, and verification of such requirements was not always documented.
- **Documentation of taxpayer representation for a hearing was not evident for some petitions, contrary to DOR rules.**

School District Funding

Sources of Funds

Florida school districts are funded by support at the federal, state, and local government level. Federal funds are typically used to supplement state and local funds authorized by the Florida Legislature to support various education programs.

Funds for state support to school districts are provided primarily by legislative appropriations. The major portion of state support is distributed through the Florida Education Finance Program (FEFP). The FEFP is the primary mechanism for funding the operating costs of Florida school districts.

Local revenue for school support is derived almost entirely from property taxes levied by Florida's 67 counties. Each school district participating in the state allocation of funds for the operation of schools must levy a millage representing its required local effort (RLE) from property taxes.

Required Local Effort

Each school district's RLE is determined by a statutory procedure that is initiated by certification of the most recent estimated property tax values⁷⁸ of each district by the DOR to the Commissioner of Education (Commissioner) no later than two working days prior to July 19 of the assessment year.⁷⁹ No later than July 19 of the assessment year, the Commissioner uses the estimated property tax values to calculate the RLE millage rate that would generate enough property taxes to cover the RLE for that year.⁸⁰ For example, the estimated 2013-2014 school taxable value would be certified by the DOR to the Commissioner in July 2013.

⁷⁶ See also 2012-17 Fla. Op. Att'y Gen. (May 17, 2012) (citing FLA. CONST. ART. II, s. 5(a)).

⁷⁷ See rule 12D-9.030, F.A.C. (relating to recommended decisions) and rule 12D-9.032, F.A.C. (relating to final decisions).

⁷⁸ The ad valorem tax process involves numerous steps, and the value of property may change depending on the outcome of informal appeals to the property appraiser, value adjustment board determinations, or circuit court decisions.

⁷⁹ s. 1011.62(4)(a)1.a., F.S.

⁸⁰ s. 1011.62(4)(a)1.a., F.S.

If a district fails to collect the full amount of its RLE in a prior year because of changes in property values,⁸¹ the Commissioner is authorized to calculate an additional millage rate necessary to generate the amount of uncollected funds.⁸² The additional millage rate is referred to as the prior period funding adjustment millage (PPFAM). The PPFAM is typically calculated in July of the year following the assessment. Continuing the above example, the recalculated 2013-2014 school taxable value (after any changes) would be certified by the DOR to the Commissioner in July 2014.

Changes in property values may occur as a result of litigation or VAB petitions attacking the assessed value or inclusion of certain property on the assessment roll.⁸³ However, until the final adjudication of any litigation or VAB petitions, the assessed value of the contested property is excluded from the computation of a school district's RLE.⁸⁴ If final adjudication does not occur prior to the PPFAM calculation in July of the year after assessment, the school district cannot collect the unrealized school funds.

In 2014, the Legislature passed a temporary solution for school districts where the local VAB process delays completion of the certification of the final tax roll for longer than one year.⁸⁵ For the 2014-15 fiscal year only, such districts can "speed-up" the levy of 2014 unrealized RLE funds by levying a PPFAM equal to 75 percent of the district's most recent unrealized RLE for which a PPFAM was determined.⁸⁶

B. SECTION DIRECTORY:

Section 1 amends s. 129.03, F.S., to require the board of county commissioners to specify in the budget summary the proportionate amount of the proposed county tax millage and the proportionate amount of gross ad valorem taxes attributable to county constitutional officers.

Section 2 amends s. 192.0105, F.S., to conform to changes elsewhere in the committee substitute that list the persons that can represent a taxpayer before the VAB.

Section 3 amends s. 193.122(1), F.S., to state that, notwithstanding extension of the roll pursuant to s. 197.323, the value adjustment board must complete all hearings required by s. 194.032, F.S., and certify the assessment roll to the property appraiser by June 1 following the tax year in which the assessments were made.

Section 4 amends s. 194.011, F.S., to revise provisions related to VAB petitions and VAB evidence exchange procedures.

Section 5 amends s. 194.014, F.S., to change the interest rate for disputed property tax assessments from 12 percent to the bank prime loan rate established by the federal reserve.

Section 6 amends 194.015, F.S., to revise the composition of the VAB and authorize county and school board audits of the VAB. Board members can get continuing education credits for their service.

Section 7 amends s. 194.032, F.S., to revise provisions related to evidence exchange, rehearings, and the VABs timeframe for finishing hearings and certifying the assessment roll.

Section 8 amends s. 194.034, F.S., to restrict the persons who may represent a person before the VAB and to elaborate on what is required in the VAB's findings of fact and conclusions of law.

⁸¹ s. 1011.62(4)(c), F.S.

⁸² s. 1011.62(4)(e), F.S.

⁸³ s. 1011.62(4)(c)1., F.S.

⁸⁴ s. 1011.62(4)(c)2., (d), F.S.

⁸⁵ Ch. 2014-53, Laws of Fla.

⁸⁶ s. 1011.62(4)(e)1.c., F.S.

Section 9 amends s. 194.035, F.S., to specify that value reductions given by special magistrates cannot be considered in the hiring of special magistrates.

Section 10 creates s. 194.038, F.S., to provide for DOR review of VAB proceedings for counties that receive 10,000 or more petitions.

Section 11 amends s. 195.002, F.S., to include in DOR's responsibilities administrative review of VABs.

Section 12 amends s. 196.141, F.S., to allow the property appraiser to contract for services to examine or audit tax exemptions claimed on assessment rolls.

Section 13 amends s. 196.161, F.S., to authorize homestead fraud perpetrators to enter into a payment plan.

Section 14 amends s. 200.069, F.S., requires county constitutional officers' budgets to be placed on the TRIM notice.

Section 15 amends s. 213.30, F.S., to provide authorize the collection of money pursuant to s. 196.141, F.S.

Section 16 provides a finding of important state interest.

Section 17 provides an effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

DOR will be required to provide checklist forms for written decisions by the VAB.

The committee substitute states that DOR may conduct a review of the VAB process for counties where more than 10,000 petitions are filed. If DOR conducts this review, it anticipates a cost of \$860,039 in fiscal year 2015-2016.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The Revenue Estimating Conference evaluated the impacts of some of the provisions included in the committee substitute. Section 12, which authorizes entities that contract with the property appraiser to be paid from penalties, is estimated to have an indeterminate, recurring revenue impact of unknown magnitude and direction. Sections 3 and 7, which require VABs to complete their hearings and certify the assessment roll by June 1, are expected to have a positive indeterminate impact to local government revenues in fiscal year 2016-2017 and a negative indeterminate impact to local government revenues in fiscal year 2017-2018 due to a speed-up in the process. Section 5 reduces the interest rates on ad valorem taxes contested in a VAB proceeding. This section is expected to have a positive, recurring impact on local governments of \$8.7 million in fiscal year 2015-2016, because, most petitioners in Miami-Dade County, which has the most VAB petitions, pay the full amount of ad valorem taxes and earn interest at 12 percent

annually on the overpaid amount if successful in the petition; the result is more interest is paid out to petitioners than the amount of interest brought in to the county from interest paid on tax underpayments.⁸⁷

2. Expenditures:

The committee substitute requires local governments to take the following actions, which are likely to require expenditure of local funds:

- Sections 1 and 14 require local governments to break out the budgets of county constitutional officers in the budget summary and the TRIM notice.
- Sections 3 and 7 require VABs to complete hearings and certify the tax roll to the property appraiser prior to June 1 of the year following the assessment year.
- Section 4 requires the property appraiser to provide more information as part of the evidence exchange.
- Section 6 authorizes VAB members to receive per diem expenses without requiring the school board and the board of county commissioners to allow such compensation.
- Section 8 requires that written decisions by the VAB contain checklist forms provided by the department.
- Section 10 authorizes DOR to do a review of the VAB process in counties where 10,000 or more petitions are filed. If DOR conducts such a review, VABs will be required to send their hearing transcripts and evidence to DOR.

The provision in section 7 that requires “good cause” to reschedule a hearing may reduce local government expenditures by shortening the VAB process.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Taxpayers that successfully dispute ad valorem assessments are expected to receive less revenue as a result of interest paid on disputed tax amounts.

D. FISCAL COMMENTS:

None

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The county/municipality mandates provision of Art. VII, section 18(a), of the Florida Constitution may apply because this committee substitute may require local governments to take action that requires the expenditure of money. If the committee substitute does qualify as a mandate, the law must fulfill an important state interest and final passage must be approved by two-thirds of the membership of each house of the Legislature. The committee substitute does contain a statement of important state interest.

B. RULE-MAKING AUTHORITY:

The committee substitute provides the DOR with rulemaking authority to administer the VAB review process.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

⁸⁷ Discussion from Revenue Estimating Conference, Impact Conference, Value Adjustment Boards: HB 695 (March 13, 2015).

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

1 A bill to be entitled
 2 An act relating to ad valorem taxation; amending s.
 3 129.03, F.S.; revising the information required to be
 4 included on summaries of adopted tentative budgets;
 5 amending s. 192.0105, F.S.; conforming provisions to
 6 changes made by the act; amending s. 193.122, F.S.;
 7 establishing deadlines for value adjustment boards to
 8 complete final assessment roll certifications;
 9 amending s. 194.011, F.S.; revising the procedures for
 10 filing petitions to the value adjustment board;
 11 revising the procedures used during a value adjustment
 12 board hearing; revising the documentation required to
 13 be on evidence lists during value adjustment board
 14 hearings; amending s. 194.014, F.S.; revising the
 15 interest rate upon which certain unpaid and overpaid
 16 ad valorem taxes accrue; defining the term "bank prime
 17 loan rate"; amending s. 194.015, F.S.; revising the
 18 membership and requirements for meetings of value
 19 adjustment boards; authorizing the district school
 20 board and district county commission to audit certain
 21 expenses of the value adjustment board; amending s.
 22 194.032, F.S.; revising requirements for the provision
 23 of a property record card to a petitioner; requiring a
 24 petitioner to show good cause to reschedule a hearing
 25 related to an assessment; requiring value adjustment
 26 boards to address issues concerning assessment rolls

27 by a time certain; amending s. 194.034, F.S.; revising
 28 the entities that may represent a taxpayer before the
 29 value adjustment board; revising provisions relating
 30 to findings of fact, conclusions of law, and written
 31 decisions; amending s. 194.035, F.S.; prohibiting
 32 consideration to be given in the appointment of
 33 special magistrates to assessment reductions
 34 recommended by a special magistrate; creating s.
 35 194.038, F.S.; requiring certain counties to notify
 36 the Department of Revenue of petitions contesting tax
 37 assessments; requiring the department to conduct
 38 reviews of value adjustment board proceedings under
 39 certain circumstances; providing review procedures;
 40 requiring the department to publish review results;
 41 requiring notification to specified entities of
 42 publication of review data and findings; requiring the
 43 department to find a value adjustment board to be in
 44 violation of the law if certain criteria are met;
 45 authorizing a property appraiser to file suit under
 46 certain circumstances; requiring the department to
 47 adopt rules; amending s. 195.002, F.S.; providing that
 48 the department has administrative review powers over
 49 value adjustment boards; amending s. 196.141, F.S.;
 50 authorizing property appraisers to contract for the
 51 examination and audit of homestead exemption claims;
 52 specifying payment for such contracted services;

53 authorizing the property appraiser to retain certain
 54 interest earnings; amending s. 196.161, F.S.;
 55 authorizing certain taxpayers to enter into payment
 56 plans for the payment of taxes, interest, and
 57 penalties due; requiring that certain unpaid tax liens
 58 be included in the next assessment roll; amending s.
 59 200.069, F.S.; revising the information to be included
 60 on the notice of proposed property taxes and non-ad
 61 valorem assessments; amending s. 213.30, F.S.;
 62 specifying that certain persons may seek or obtain
 63 funds because of the failure of other persons to
 64 comply with the state's tax laws, including homestead
 65 exemptions; providing a finding of important state
 66 interest; providing effective dates.

67
 68 Be It Enacted by the Legislature of the State of Florida:

69
 70 Section 1. Effective October 1, 2015, paragraph (b) of
 71 subsection (3) of section 129.03, Florida Statutes, is amended
 72 to read:

73 129.03 Preparation and adoption of budget.—

74 (3) The county budget officer, after tentatively
 75 ascertaining the proposed fiscal policies of the board for the
 76 next fiscal year, shall prepare and present to the board a
 77 tentative budget for the next fiscal year for each of the funds
 78 provided in this chapter, including all estimated receipts,

79 taxes to be levied, and balances expected to be brought forward
 80 and all estimated expenditures, reserves, and balances to be
 81 carried over at the end of the year.

82 (b) Upon receipt of the tentative budgets and completion
 83 of any revisions, the board shall prepare a statement
 84 summarizing all of the adopted tentative budgets. The summary
 85 statement must show, for each budget and the total of all
 86 budgets, the proposed tax millages, balances, reserves, and the
 87 total of each major classification of receipts and expenditures,
 88 classified according to the uniform classification of accounts
 89 adopted by the appropriate state agency. The board shall specify
 90 the proportionate amount of the proposed county tax millage and
 91 the proportionate amount of gross ad valorem taxes attributable
 92 to the budgets of the sheriff, the property appraiser, the clerk
 93 of the circuit court and county comptroller, the tax collector,
 94 and the supervisor of elections, respectively. The board shall
 95 cause this summary statement to be advertised one time in a
 96 newspaper of general circulation published in the county, or by
 97 posting at the courthouse door if there is no such newspaper,
 98 and the advertisement must appear adjacent to the advertisement
 99 required pursuant to s. 200.065.

100 Section 2. Paragraph (f) of subsection (2) of section
 101 192.0105, Florida Statutes, is amended to read:

102 192.0105 Taxpayer rights.—There is created a Florida
 103 Taxpayer's Bill of Rights for property taxes and assessments to
 104 guarantee that the rights, privacy, and property of the

105 taxpayers of this state are adequately safeguarded and protected
 106 during tax levy, assessment, collection, and enforcement
 107 processes administered under the revenue laws of this state. The
 108 Taxpayer's Bill of Rights compiles, in one document, brief but
 109 comprehensive statements that summarize the rights and
 110 obligations of the property appraisers, tax collectors, clerks
 111 of the court, local governing boards, the Department of Revenue,
 112 and taxpayers. Additional rights afforded to payors of taxes and
 113 assessments imposed under the revenue laws of this state are
 114 provided in s. 213.015. The rights afforded taxpayers to assure
 115 that their privacy and property are safeguarded and protected
 116 during tax levy, assessment, and collection are available only
 117 insofar as they are implemented in other parts of the Florida
 118 Statutes or rules of the Department of Revenue. The rights so
 119 guaranteed to state taxpayers in the Florida Statutes and the
 120 departmental rules include:

- 121 (2) THE RIGHT TO DUE PROCESS.—
- 122 (f) The right, in value adjustment board proceedings, to
- 123 have all evidence presented and considered at a public hearing
- 124 at the scheduled time, to be represented by a person specified
- 125 in s. 194.034(1)(a) ~~an attorney or agent~~, to have witnesses
- 126 sworn and cross-examined, and to examine property appraisers or
- 127 evaluators employed by the board who present testimony (see ss.
- 128 194.034(1)(a) and (c) and (4), and 194.035(2)).

129 Section 3. Subsection (1) of section 193.122, Florida
 130 Statutes, is amended to read:

131 193.122 Certificates of value adjustment board and
 132 property appraiser; extensions on the assessment rolls.-

133 (1) The value adjustment board shall certify each
 134 assessment roll upon order of the board of county commissioners
 135 pursuant to s. 197.323, if applicable, and again after all
 136 hearings required by s. 194.032 have been held. These
 137 certificates shall be attached to each roll as required by the
 138 Department of Revenue. Notwithstanding an extension of the roll
 139 pursuant to s. 197.323, the value adjustment board must complete
 140 all hearings required by s. 194.032 and certify the assessment
 141 roll to the property appraiser by June 1 following the tax year
 142 in which the assessments were made.

143 Section 4. Subsections (3) and (4) of section 194.011,
 144 Florida Statutes, are amended to read:

145 194.011 Assessment notice; objections to assessments.-

146 (3) A petition to the value adjustment board must be in
 147 substantially the form prescribed by the department.
 148 Notwithstanding s. 195.022, a county officer may not refuse to
 149 accept a form provided by the department for this purpose if the
 150 taxpayer chooses to use it. A petition to the value adjustment
 151 board must be signed by the taxpayer or be accompanied by the
 152 taxpayer's written authorization for representation by a person
 153 specified in s. 194.034(1)(a). A written authorization is valid
 154 for 1 tax year, and a new written authorization by the taxpayer
 155 shall be required for each subsequent tax year. A petition shall

156 also describe the property by parcel number and shall be filed
 157 as follows:

158 (a) The property appraiser shall have available and shall
 159 distribute forms prescribed by the Department of Revenue on
 160 which the petition shall be made. Such petition shall be sworn
 161 to by the petitioner.

162 (b) The completed petition shall be filed with the clerk
 163 of the value adjustment board of the county, who shall
 164 acknowledge receipt thereof and promptly furnish a copy thereof
 165 to the property appraiser.

166 (c) The petition shall state the approximate time
 167 anticipated by the taxpayer to present and argue his or her
 168 petition before the board.

169 (d) The petition may be filed, as to valuation issues, at
 170 any time during the taxable year on or before the 25th day
 171 following the mailing of notice by the property appraiser as
 172 provided in subsection (1). With respect to an issue involving
 173 the denial of an exemption, an agricultural or high-water
 174 recharge classification application, an application for
 175 classification as historic property used for commercial or
 176 certain nonprofit purposes, or a deferral, the petition must be
 177 filed at any time during the taxable year on or before the 30th
 178 day following the mailing of the notice by the property
 179 appraiser under s. 193.461, s. 193.503, s. 193.625, s. 196.173,
 180 or s. 196.193 or notice by the tax collector under s. 197.2425.

181 (e) A condominium association, cooperative association, or
 182 any homeowners' association as defined in s. 723.075, with
 183 approval of its board of administration or directors, may file
 184 with the value adjustment board a single joint petition on
 185 behalf of any association members who own parcels of property
 186 which the property appraiser determines are substantially
 187 similar with respect to location, proximity to amenities, number
 188 of rooms, living area, and condition. The condominium
 189 association, cooperative association, or homeowners' association
 190 as defined in s. 723.075 shall provide the unit owners with
 191 notice of its intent to petition the value adjustment board and
 192 shall provide at least 20 days for a unit owner to elect, in
 193 writing, that his or her unit not be included in the petition.

194 (f) An owner of contiguous, undeveloped parcels may file
 195 with the value adjustment board a single joint petition if the
 196 property appraiser determines such parcels are substantially
 197 similar in nature.

198 (g) The individual, agent, or legal entity that signs the
 199 petition becomes an agent of the taxpayer for the purpose of
 200 serving process to obtain personal jurisdiction over the
 201 taxpayer for the entire value adjustment board proceedings,
 202 including any appeals of a board decision by the property
 203 appraiser pursuant to s. 194.036.

204 (4)(a) At least 15 days before the hearing the petitioner
 205 shall provide to the property appraiser a list of evidence to be
 206 presented at the hearing, together with copies of all

207 | documentation to be considered by the value adjustment board and
 208 | a summary of evidence to be presented by witnesses.

209 | (b) No later than 7 days before the hearing, if the
 210 | petitioner has provided the information required under paragraph
 211 | (a), and if requested in writing by the petitioner, the property
 212 | appraiser shall provide to the petitioner a list of evidence to
 213 | be presented at the hearing, together with copies of all
 214 | documentation to be considered by the value adjustment board and
 215 | a summary of evidence to be presented by witnesses. The evidence
 216 | list must contain the property record card for the property that
 217 | is the subject of the petition as well as the property record
 218 | card for any comparable property listed as evidence. If the
 219 | petitioner's property record card is available online from the
 220 | property appraiser, the property appraiser must notify the
 221 | petitioner that the property record card is available online but
 222 | is not required to provide the property card. If the petition
 223 | challenges the assessed value of the property, the evidence list
 224 | must also include a copy of the form signed by the property
 225 | appraiser documenting adjustments made to the recorded selling
 226 | price or fair market value of the property pursuant to the
 227 | factors described in s. 193.011(8) if provided by the clerk.
 228 | ~~Failure of the property appraiser to timely comply with the~~
 229 | ~~requirements of this paragraph shall result in a rescheduling of~~
 230 | ~~the hearing.~~ The property appraiser must redact any confidential
 231 | information contained on any property record card before it is
 232 | submitted to the petitioner. Failure by either party to timely

233 comply with this subsection shall result in the exclusion from
 234 consideration by the value adjustment board of any evidence that
 235 was requested in writing and not timely provided.

236 (c) Provisions related to evidence exchange contained in
 237 this section only apply to value adjustment board proceedings
 238 after the petitioner has served notice of intention to challenge
 239 the property appraiser's assessment of value or classification
 240 of property pursuant to this section.

241 (d) Evidence that is confidential under law remains
 242 confidential until it is submitted to the value adjustment board
 243 for consideration and admission into the record, unless used for
 244 impeachment purposes.

245 Section 5. Subsection (2) of section 194.014, Florida
 246 Statutes, is amended to read:

247 194.014 Partial payment of ad valorem taxes; proceedings
 248 before value adjustment board.-

249 (2) If the value adjustment board determines that the
 250 petitioner owes ad valorem taxes in excess of the amount paid,
 251 the unpaid amount accrues interest at an annual percentage rate
 252 equal to the bank prime loan rate on July 1, or the first
 253 business day thereafter if July 1 is a Saturday, Sunday, or
 254 legal holiday, of the tax ~~the rate of 12 percent per year,~~
 255 beginning on ~~from~~ the date the taxes became delinquent pursuant
 256 to s. 197.333 until the unpaid amount is paid. If the value
 257 adjustment board determines that a refund is due, the overpaid
 258 amount accrues interest at an annual percentage rate equal to

259 | the bank prime loan rate on July 1, or the first business day
 260 | thereafter if July 1 is a Saturday, Sunday, or legal holiday, of
 261 | the tax ~~the rate of 12 percent per year,~~ beginning on ~~from~~ the
 262 | date the taxes became delinquent pursuant to s. 197.333 until a
 263 | refund is paid. Interest does not accrue on amounts paid in
 264 | excess of 100 percent of the current taxes due as provided on
 265 | the tax notice issued pursuant to s. 197.322. For purposes of
 266 | this subsection, the term "bank prime loan rate" means the
 267 | average predominant prime rate quoted by commercial banks to
 268 | large businesses as determined by the Board of Governors of the
 269 | Federal Reserve System.

270 | Section 6. Effective July 1, 2016, section 194.015,
 271 | Florida Statutes, is amended to read:

272 | 194.015 Value adjustment board.—There is hereby created a
 273 | value adjustment board for each county, which shall consist of
 274 | five citizen members appointed by the legislative delegation of
 275 | state representatives and state senators who represent the
 276 | county. One member must be an owner of homestead property in the
 277 | county, one member must own commercial property in the county,
 278 | and one member must be a licensed appraiser who is a resident of
 279 | the county. If no licensed appraiser is available, the
 280 | legislative delegation may appoint another owner of homestead or
 281 | commercial property who is a resident of the county. The final
 282 | two members of the value adjustment board must be residents of
 283 | the county. Any three members shall constitute a quorum of the
 284 | board, and a meeting shall not take place unless a quorum is

285 present. The Department of Business and Professional Regulation
 286 must provide continuing education credits to appraiser members
 287 of value adjustment boards ~~two members of the governing body of~~
 288 ~~the county as elected from the membership of the board of said~~
 289 ~~governing body, one of whom shall be elected chairperson, and~~
 290 ~~one member of the school board as elected from the membership of~~
 291 ~~the school board, and two citizen members, one of whom shall be~~
 292 ~~appointed by the governing body of the county and must own~~
 293 ~~homestead property within the county and one of whom must be~~
 294 ~~appointed by the school board and must own a business occupying~~
 295 ~~commercial space located within the school district. A citizen~~
 296 ~~member may not be a member or an employee of any taxing~~
 297 ~~authority, and may not be a person who represents property~~
 298 ~~owners in any administrative or judicial review of property~~
 299 ~~taxes. The members of the board may be temporarily replaced by~~
 300 ~~other members of the respective boards on appointment by their~~
 301 ~~respective chairpersons. Any three members shall constitute a~~
 302 ~~quorum of the board, except that each quorum must include at~~
 303 ~~least one member of said governing board, at least one member of~~
 304 ~~the school board, and at least one citizen member and no meeting~~
 305 ~~of the board shall take place unless a quorum is present.~~
 306 Members of the board may receive such per diem compensation as
 307 is allowed by law for state employees ~~if both bodies elect to~~
 308 ~~allow such compensation.~~ The clerk of the governing body of the
 309 county shall be the clerk of the value adjustment board. The
 310 board shall appoint private counsel who has practiced law for

311 over 5 years and who shall receive such compensation as may be
 312 established by the board. The private counsel may not represent
 313 the property appraiser, the tax collector, any taxing authority,
 314 or any property owner in any administrative or judicial review
 315 of property taxes. No meeting of the board shall take place
 316 unless counsel to the board is present. Two-fifths of the
 317 expenses of the board shall be borne by the district school
 318 board and three-fifths by the district county commission. The
 319 district school board and district county commission may audit
 320 the expenses related to the value adjustment board process.

321 Section 7. Paragraph (a) of subsection (2) of section
 322 194.032, Florida Statutes, is amended, and subsection (4) is
 323 added to that section, to read:

324 194.032 Hearing purposes; timetable.—

325 (2)(a) The clerk of the governing body of the county shall
 326 prepare a schedule of appearances before the board based on
 327 petitions timely filed with him or her. The clerk shall notify
 328 each petitioner of the scheduled time of his or her appearance
 329 at least 25 calendar days before the day of the scheduled
 330 appearance. The notice must indicate whether the petition has
 331 been scheduled to be heard at a particular time or during a
 332 block of time. If the petition has been scheduled to be heard
 333 within a block of time, the beginning and ending of that block
 334 of time must be indicated on the notice; however, as provided in
 335 paragraph (b), a petitioner may not be required to wait for more
 336 than a reasonable time, not to exceed 2 hours, after the

337 | beginning of the block of time. ~~If the petitioner checked the~~
 338 | ~~appropriate box on the petition form to request a copy of the~~
 339 | ~~property record card containing relevant information used in~~
 340 | ~~computing the current assessment,~~ The property appraiser must
 341 | provide a the copy of the property record card containing
 342 | information relevant to the computation of the current
 343 | assessment, with confidential information redacted, to the
 344 | petitioner upon receipt of the petition from the clerk
 345 | regardless of whether the petitioner initiates evidence
 346 | exchange, unless the property record card is available online
 347 | from the property appraiser, in which case the property
 348 | appraiser must notify the petitioner that the property record
 349 | card is available online. Upon receipt of the notice, the
 350 | petitioner, for good cause, may reschedule the hearing a single
 351 | time by submitting to the clerk a written request to reschedule,
 352 | at least 5 calendar days before the day of the originally
 353 | scheduled hearing.

354 | (4) The board must hear all petitions, complaints,
 355 | appeals, and disputes and must submit the certified assessment
 356 | roll as required under s. 193.122 to the property appraiser each
 357 | year by June 1 of the tax year following the assessment date.

358 | Section 8. Paragraph (a) of subsection (1) and subsection
 359 | (2) of section 194.034, Florida Statutes, are amended to read:

360 | 194.034 Hearing procedures; rules.—

361 | (1)(a) Petitioners before the board may be represented by
 362 | a corporate representative of the taxpayer, an attorney, an

363 individual with power of attorney to act on the behalf of the
 364 taxpayer, a licensed property appraiser, a licensed realtor, a
 365 certified public accountant, or a certified tax specialist
 366 retained by the taxpayer ~~an attorney or agent~~ and may present
 367 testimony and other evidence. The property appraiser or his or
 368 her authorized representatives may be represented by an attorney
 369 in defending the property appraiser's assessment or opposing an
 370 exemption and may present testimony and other evidence. The
 371 property appraiser, each petitioner, and all witnesses shall be
 372 required, upon the request of either party, to testify under
 373 oath as administered by the chairperson of the board. Hearings
 374 shall be conducted in the manner prescribed by rules of the
 375 department, which rules shall include the right of cross-
 376 examination of any witness.

377 (2) In each case, except if the complaint is withdrawn by
 378 the petitioner or if the complaint is acknowledged as correct by
 379 the property appraiser, the value adjustment board shall render
 380 a written decision. All such decisions shall be issued within 20
 381 calendar days after the last day the board is in session under
 382 s. 194.032. The decision of the board must contain findings of
 383 fact and conclusions of law and must include reasons for
 384 upholding or overturning the determination of the property
 385 appraiser. Findings of fact must be based on admitted evidence
 386 or a lack thereof. Conclusions of law must be logically
 387 connected to the findings of fact and must be stated in
 388 statutory terms. Written decisions must include a series of

389 checklist forms, provided by the department, identifying each
 390 statutory criterion applicable to the assessment determination.
 391 If a special magistrate has been appointed, the recommendations
 392 of the special magistrate shall be considered by the board. The
 393 clerk, upon issuance of a decision, shall, on a form provided by
 394 the Department of Revenue, notify each taxpayer and the property
 395 appraiser of the decision of the board. This notification shall
 396 be by first-class mail or by electronic means if selected by the
 397 taxpayer on the originally filed petition. If requested by the
 398 Department of Revenue, the clerk shall provide to the department
 399 a copy of the decision or information relating to the tax impact
 400 of the findings and results of the board as described in s.
 401 194.037 in the manner and form requested.

402 Section 9. Subsection (1) of section 194.035, Florida
 403 Statutes, is amended to read:

404 194.035 Special magistrates; property evaluators.—

405 (1) In counties having a population of more than 75,000,
 406 the board shall appoint special magistrates for the purpose of
 407 taking testimony and making recommendations to the board, which
 408 recommendations the board may act upon without further hearing.
 409 These special magistrates may not be elected or appointed
 410 officials or employees of the county but shall be selected from
 411 a list of those qualified individuals who are willing to serve
 412 as special magistrates. Employees and elected or appointed
 413 officials of a taxing jurisdiction or of the state may not serve
 414 as special magistrates. The clerk of the board shall annually

415 | notify such individuals or their professional associations to
 416 | make known to them that opportunities to serve as special
 417 | magistrates exist. The Department of Revenue shall provide a
 418 | list of qualified special magistrates to any county with a
 419 | population of 75,000 or less. Subject to appropriation, the
 420 | department shall reimburse counties with a population of 75,000
 421 | or less for payments made to special magistrates appointed for
 422 | the purpose of taking testimony and making recommendations to
 423 | the value adjustment board pursuant to this section. The
 424 | department shall establish a reasonable range for payments per
 425 | case to special magistrates based on such payments in other
 426 | counties. Requests for reimbursement of payments outside this
 427 | range shall be justified by the county. If the total of all
 428 | requests for reimbursement in any year exceeds the amount
 429 | available pursuant to this section, payments to all counties
 430 | shall be prorated accordingly. If a county having a population
 431 | less than 75,000 does not appoint a special magistrate to hear
 432 | each petition, the person or persons designated to hear
 433 | petitions before the value adjustment board or the attorney
 434 | appointed to advise the value adjustment board shall attend the
 435 | training provided pursuant to subsection (3), regardless of
 436 | whether the person would otherwise be required to attend, but
 437 | shall not be required to pay the tuition fee specified in
 438 | subsection (3). A special magistrate appointed to hear issues of
 439 | exemptions and classifications shall be a member of The Florida
 440 | Bar with no less than 5 years' experience in the area of ad

441 valorem taxation. A special magistrate appointed to hear issues
 442 regarding the valuation of real estate shall be a state
 443 certified real estate appraiser with not less than 5 years'
 444 experience in real property valuation. A special magistrate
 445 appointed to hear issues regarding the valuation of tangible
 446 personal property shall be a designated member of a nationally
 447 recognized appraiser's organization with not less than 5 years'
 448 experience in tangible personal property valuation. A special
 449 magistrate need not be a resident of the county in which he or
 450 she serves. A special magistrate may not represent a person
 451 before the board in any tax year during which he or she has
 452 served that board as a special magistrate. Before appointing a
 453 special magistrate, a value adjustment board shall verify the
 454 special magistrate's qualifications. The value adjustment board
 455 shall ensure that the selection of special magistrates is based
 456 solely upon the experience and qualifications of the special
 457 magistrate and is not influenced by the property appraiser. The
 458 special magistrate shall accurately and completely preserve all
 459 testimony and, in making recommendations to the value adjustment
 460 board, shall include proposed findings of fact, conclusions of
 461 law, and reasons for upholding or overturning the determination
 462 of the property appraiser. The expense of hearings before
 463 magistrates and any compensation of special magistrates shall be
 464 borne three-fifths by the board of county commissioners and two-
 465 fifths by the school board. When appointing special magistrates
 466 or scheduling special magistrates for specific hearings, the

467 board, board attorney, and board clerk may not consider the
 468 dollar amount or percentage amount of any assessment reductions
 469 recommended by any special magistrate either in the current year
 470 or in any previous year.

471 Section 10. Section 194.038, Florida Statutes, is created
 472 to read:

473 194.038 Review of value adjustment board proceedings.-

474 (1) A county that receives 10,000 or more petitions
 475 objecting to assessments under s. 194.011 in any one tax year
 476 must notify the department. After notification, the department
 477 may conduct a review of the value adjustment board proceedings
 478 as follows:

479 (a) The department shall determine whether the values
 480 derived by the board comply with s. 193.011 and professionally
 481 accepted appraisal practices. A verbatim copy of the proceedings
 482 must be submitted to the department in the manner and form
 483 prescribed by the department following the final tax roll
 484 certification pursuant to s. 193.122.

485 (b) The department shall statistically sample petitions
 486 heard by the value adjustment board requesting a change in the
 487 assessment for each classification of property set forth in s.
 488 194.037(2).

489 (c) The department shall adhere to all the standards to
 490 which the value adjustment boards are required to adhere.

491 (d) The department and the value adjustment board shall
 492 cooperate in conducting these reviews, and each shall make

493 available to the other all matters and records bearing on the
 494 reviews. The value adjustment board must provide the data
 495 requested by the department, including documentary evidence
 496 presented during the proceedings and written decisions rendered.

497 (2) The department shall complete its review no later than
 498 6 months after the value adjustment board completes all of the
 499 hearings for the fiscal year in which the department received
 500 notification pursuant to subsection (1). A hearing is deemed
 501 complete under this section once the value adjustment board
 502 adopts a final determination, regardless of whether the decision
 503 is appealed. The department shall publish the results of each
 504 review on the department's website and shall include the
 505 following with regard to every parcel for which a petition was
 506 filed:

- 507 (a) The name of the owner.
- 508 (b) The address of the property.
- 509 (c) The identification number of the property as used by
 510 the value adjustment board clerk, such as the parcel
 511 identification number, strap number, alternate key number, or
 512 other number.
- 513 (d) The name of the special magistrate who heard the
 514 petition, if applicable.
- 515 (e) The initial just value derived by the property
 516 appraiser.
- 517 (f) Any change made by the value adjustment board that
 518 increased or decreased the just value of the parcel.

519 (3) Upon publication of the data and findings, the
 520 department shall notify the committees of the Senate and of the
 521 House of Representatives having oversight responsibility for
 522 taxation, the appropriate value adjustment board, the property
 523 appraiser, and the county commission chair or corresponding
 524 official under a consolidated charter. Copies of the data and
 525 findings shall be provided upon request.

526 (4) The department shall find the value adjustment board
 527 to be in continuous violation of the intent of the law if the
 528 department, in its review, determines that less than 90 percent
 529 of the petitions randomly sampled comply with the criteria in s.
 530 193.011 and professionally accepted appraisal practices. A
 531 property appraiser may file suit in circuit court against the
 532 value adjustment board pursuant to s. 194.036(1)(c).

533 (5) The department shall adopt rules to administer this
 534 section.

535 Section 11. Subsection (1) of section 195.002, Florida
 536 Statutes, is amended to read:

537 195.002 Supervision by Department of Revenue.—

538 (1) The Department of Revenue shall have general
 539 supervision of:

540 (a) The assessment and valuation of property so that all
 541 property will be placed on the tax rolls and shall be valued
 542 according to its just valuation, as required by the
 543 constitution.

544 (b) Administrative review of value adjustment boards.

545 (c) ~~It shall also have supervision over~~ Tax collection and
 546 all other aspects of the administration of such taxes.

547

548 The supervision of the department shall consist primarily of
 549 aiding and assisting county officers and value adjustment boards
 550 in the assessing, reviewing, and collection functions, with
 551 particular emphasis on the more technical aspects. In this
 552 regard, the department shall conduct schools to upgrade
 553 assessment skills of both state and local assessment personnel.

554 Section 12. Section 196.141, Florida Statutes, is amended
 555 to read:

556 196.141 Homestead exemptions; duty of property appraiser.-

557 (1) The property appraiser shall examine each claim for
 558 exemption filed with or referred to him or her and shall allow
 559 the exemption same, if found to be in accordance with law, by
 560 marking the exemption same approved and by making the proper
 561 deductions on the assessment rolls ~~tax books~~.

562 (2) The property appraiser may contract for services to
 563 examine or audit homestead tax exemptions claimed on assessment
 564 rolls. Agreements for such contracted services must provide that
 565 compensation will consist solely of the penalties imposed
 566 pursuant to this chapter and collected on the assessments
 567 resulting from the examination or audit and the removal of
 568 homestead exemptions from previous and current year tax rolls. A
 569 property appraiser contracting for such services may receive the
 570 interest imposed pursuant to this chapter and collected on the

571 taxes owed on previous and current year assessment rolls. After
 572 distributing the compensation for such contracted services and
 573 the interest that the property appraiser retains, the tax
 574 collector shall distribute any back taxes collected under
 575 chapter 197.

576 Section 13. Paragraph (b) of subsection (1) and subsection
 577 (2) of section 196.161, Florida Statutes, are amended to read:

578 196.161 Homestead exemptions; lien imposed on property of
 579 person claiming exemption although not a permanent resident.-

580 (1)

581 (b) In addition, upon determination by the property
 582 appraiser that for any year or years within the prior 10 years a
 583 person who was not entitled to a homestead exemption was granted
 584 a homestead exemption from ad valorem taxes, ~~it shall be the~~
 585 ~~duty of~~ the property appraiser making such determination shall
 586 ~~to~~ serve upon the owner a notice of intent to record in the
 587 public records of the county a notice of tax lien against any
 588 property owned by that person in the county, and such property
 589 shall be identified in the notice of tax lien. Such property
 590 which is situated in this state shall be subject to the taxes
 591 exempted thereby, plus a penalty of 50 percent of the unpaid
 592 taxes for each year and 15 percent interest per annum. However,
 593 if a homestead exemption is improperly granted as a result of a
 594 clerical mistake or an omission by the property appraiser, the
 595 person improperly receiving the exemption shall not be assessed
 596 penalty and interest. Before ~~any~~ such lien may be filed, the

597 owner so notified must be given 30 days to pay the taxes,
 598 penalties, and interest or to enter into a written monthly
 599 payment plan with the tax collector. The tax lien shall be filed
 600 for the taxes, penalties, and interest that remain unpaid 30
 601 days after notice is sent. Such tax lien shall remain on the
 602 property until the taxes, penalties, and interest are paid in
 603 full.

604 (2) Taxes, penalties, and interest assessed pursuant to
 605 this section that are not paid in full, or where the owner fails
 606 to remain in compliance with a written payment plan entered into
 607 pursuant to paragraph (1)(b), shall be included in the next tax
 608 notice and shall be collected in the same manner as, and in
 609 addition to, the current ad valorem taxes under chapter 197,
 610 including the annual tax certificate sale when appropriate. The
 611 ~~collection of the taxes provided in this section shall be in the~~
 612 ~~same manner as existing ad valorem taxes, and the above~~
 613 ~~procedure of recapturing such taxes shall be supplemental to any~~
 614 ~~existing provision under the laws of this state.~~

615 Section 14. Effective October 1, 2015, subsection (3) and
 616 paragraph (a) of subsection (4) of section 200.069, Florida
 617 Statutes, are amended to read:

618 200.069 Notice of proposed property taxes and non-ad
 619 valorem assessments.—Pursuant to s. 200.065(2)(b), the property
 620 appraiser, in the name of the taxing authorities and local
 621 governing boards levying non-ad valorem assessments within his
 622 or her jurisdiction and at the expense of the county, shall

623 | prepare and deliver by first-class mail to each taxpayer to be
 624 | listed on the current year's assessment roll a notice of
 625 | proposed property taxes, which notice shall contain the elements
 626 | and use the format provided in the following form.

627 | Notwithstanding the provisions of s. 195.022, no county officer
 628 | shall use a form other than that provided herein. The Department
 629 | of Revenue may adjust the spacing and placement on the form of
 630 | the elements listed in this section as it considers necessary
 631 | based on changes in conditions necessitated by various taxing
 632 | authorities. If the elements are in the order listed, the
 633 | placement of the listed columns may be varied at the discretion
 634 | and expense of the property appraiser, and the property
 635 | appraiser may use printing technology and devices to complete
 636 | the form, the spacing, and the placement of the information in
 637 | the columns. A county officer may use a form other than that
 638 | provided by the department for purposes of this part, but only
 639 | if his or her office pays the related expenses and he or she
 640 | obtains prior written permission from the executive director of
 641 | the department; however, a county officer may not use a form the
 642 | substantive content of which is at variance with the form
 643 | prescribed by the department. The county officer may continue to
 644 | use such an approved form until the law that specifies the form
 645 | is amended or repealed or until the officer receives written
 646 | disapproval from the executive director.

647 | (3) There shall be under each column heading an entry for
 648 | the county, with subheading entries for the proportionate amount

649 of gross ad valorem tax or millage attributable to the budget of
 650 the sheriff, the property appraiser, the clerk of the circuit
 651 court and county comptroller, the tax collector, and the
 652 supervisor of elections; the school district levy required
 653 pursuant to s. 1011.60(6); other operating school levies; the
 654 municipality or municipal service taxing unit or units in which
 655 the parcel lies, if any; the water management district levying
 656 pursuant to s. 373.503; the independent special districts in
 657 which the parcel lies, if any; and for all voted levies for debt
 658 service applicable to the parcel, if any.

659 (4) For each entry listed in subsection (3), there shall
 660 appear on the notice the following:

661 (a) In the first column, a brief, commonly used name for
 662 the taxing authority or its governing body. The heading for the
 663 county must have subheadings for the sheriff, the property
 664 appraiser, the clerk of the circuit court and county
 665 comptroller, the tax collector, and the supervisor of elections.

666 The entry in the first column for the levy required pursuant to
 667 s. 1011.60(6) shall be "By State Law." The entry for other
 668 operating school district levies shall be "By Local Board." Both
 669 school levy entries shall be indented and preceded by the
 670 notation "Public Schools:". For each voted levy for debt
 671 service, the entry shall be "Voter Approved Debt Payments."

672 Section 15. Subsection (3) of section 213.30, Florida
 673 Statutes, is amended to read:

674 213.30 Compensation for information relating to a

675 violation of the tax laws.-

676 (3) Notwithstanding any other provision of law, this
 677 section and s. 196.141 are ~~is~~ the sole means by which a any
 678 person may seek or obtain any moneys as the result of, in
 679 relation to, or founded upon the failure by another person to
 680 comply with the tax laws of this state. A person's use of any
 681 other law to seek or obtain moneys for such failure is in
 682 derogation of this section and s. 196.141, and conflicts with
 683 the state's duty to administer the tax laws.

684 Section 16. The Legislature finds that this act fulfills
 685 an important state interest.

686 Section 17. Except as otherwise expressly provided in this
 687 act, this act shall take effect July 1, 2015.

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. CS/HB 695 (2015)

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	_____	(Y/N)
ADOPTED AS AMENDED	_____	(Y/N)
ADOPTED W/O OBJECTION	_____	(Y/N)
FAILED TO ADOPT	_____	(Y/N)
WITHDRAWN	_____	(Y/N)
OTHER		

1 Committee/Subcommittee hearing bill: Appropriations Committee
 2 Representative Avila offered the following:

Amendment (with title amendment)

Remove everything after the enacting clause and insert:

Section 1. Effective October 1, 2015, paragraph (b) of subsection (3) of section 129.03, Florida Statutes, is amended to read:

129.03 Preparation and adoption of budget.—

(3) The county budget officer, after tentatively ascertaining the proposed fiscal policies of the board for the next fiscal year, shall prepare and present to the board a tentative budget for the next fiscal year for each of the funds provided in this chapter, including all estimated receipts, taxes to be levied, and balances expected to be brought forward

Amendment No. 1

16 and all estimated expenditures, reserves, and balances to be
17 carried over at the end of the year.

18 (b) Upon receipt of the tentative budgets and completion
19 of any revisions, the board shall prepare a statement
20 summarizing all of the adopted tentative budgets. The summary
21 statement must show, for each budget and the total of all
22 budgets, the proposed tax millages, balances, reserves, and the
23 total of each major classification of receipts and expenditures,
24 classified according to the uniform classification of accounts
25 adopted by the appropriate state agency. The board shall specify
26 the proportionate amount of the proposed county tax millage and
27 the proportionate amount of gross ad valorem taxes attributable
28 to the budgets of the sheriff, the property appraiser, the clerk
29 of the circuit court and county comptroller, the tax collector,
30 and the supervisor of elections, respectively. The board shall
31 cause this summary statement to be advertised one time in a
32 newspaper of general circulation published in the county, or by
33 posting at the courthouse door if there is no such newspaper,
34 and the advertisement must appear adjacent to the advertisement
35 required pursuant to s. 200.065.

36 Section 2. Paragraph (f) of subsection (2) of section
37 192.0105, Florida Statutes, is amended to read:

38 192.0105 Taxpayer rights.—There is created a Florida
39 Taxpayer's Bill of Rights for property taxes and assessments to
40 guarantee that the rights, privacy, and property of the
41 taxpayers of this state are adequately safeguarded and protected

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. CS/HB 695 (2015)

Amendment No. 1

42 during tax levy, assessment, collection, and enforcement
43 processes administered under the revenue laws of this state. The
44 Taxpayer's Bill of Rights compiles, in one document, brief but
45 comprehensive statements that summarize the rights and
46 obligations of the property appraisers, tax collectors, clerks
47 of the court, local governing boards, the Department of Revenue,
48 and taxpayers. Additional rights afforded to payors of taxes and
49 assessments imposed under the revenue laws of this state are
50 provided in s. 213.015. The rights afforded taxpayers to assure
51 that their privacy and property are safeguarded and protected
52 during tax levy, assessment, and collection are available only
53 insofar as they are implemented in other parts of the Florida
54 Statutes or rules of the Department of Revenue. The rights so
55 guaranteed to state taxpayers in the Florida Statutes and the
56 departmental rules include:

57 (2) THE RIGHT TO DUE PROCESS.—

58 (f) The right, in value adjustment board proceedings, to
59 have all evidence presented and considered at a public hearing
60 at the scheduled time, to be represented by a person specified
61 in s. 194.034(1)(a) an attorney or agent, to have witnesses
62 sworn and cross-examined, and to examine property appraisers or
63 evaluators employed by the board who present testimony (see ss.
64 194.034(1)(a) and (c) and (4), and 194.035(2)).

65 Section 3. Paragraph (d) is added to subsection (2) of
66 section 193.0235, Florida Statutes, to read:

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. CS/HB 695 (2015)

Amendment No. 1

67 193.0235 Ad valorem taxes and non-ad valorem assessments
68 against subdivision property.-

69 (2) As used in this section, the term "common element"
70 includes:

71 (d) Property located within the same county as the
72 subdivision and used for at least 10 years exclusively for the
73 benefit of lot owners within the subdivision.

74 Section 4. Subsection (1) of section 193.122, Florida
75 Statutes, is amended to read:

76 193.122 Certificates of value adjustment board and
77 property appraiser; extensions on the assessment rolls.-

78 (1) The value adjustment board shall certify each
79 assessment roll upon order of the board of county commissioners
80 pursuant to s. 197.323, if applicable, and again after all
81 hearings required by s. 194.032 have been held. These
82 certificates shall be attached to each roll as required by the
83 Department of Revenue. Notwithstanding an extension of the roll
84 pursuant to s. 197.323, the value adjustment board must complete
85 all hearings required by s. 194.032 and certify the assessment
86 roll to the property appraiser by June 1 following the tax year
87 in which the assessments were made.

88 Section 5. The amendment made by this act to s. 193.122,
89 Florida Statutes, first applies beginning with the 2017 tax
90 roll.

91 Section 6. Subsections (3) and (4) of section 194.011,
92 Florida Statutes, are amended to read:

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COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. CS/HB 695 (2015)

Amendment No. 1

93 194.011 Assessment notice; objections to assessments.—

94 (3) A petition to the value adjustment board must be in
95 substantially the form prescribed by the department.

96 Notwithstanding s. 195.022, a county officer may not refuse to
97 accept a form provided by the department for this purpose if the
98 taxpayer chooses to use it. A petition to the value adjustment
99 board must be signed by the taxpayer or be accompanied at the
100 time of filing by the taxpayer's written authorization for
101 representation by a person specified in s. 194.034(1)(a). A
102 written authorization is valid for 1 tax year, and a new written
103 authorization by the taxpayer shall be required for each
104 subsequent tax year. A petition shall also describe the property
105 by parcel number and shall be filed as follows:

106 (a) The property appraiser shall have available and shall
107 distribute forms prescribed by the Department of Revenue on
108 which the petition shall be made. Such petition shall be sworn
109 to by the petitioner.

110 (b) The completed petition shall be filed with the clerk
111 of the value adjustment board of the county, who shall
112 acknowledge receipt thereof and promptly furnish a copy thereof
113 to the property appraiser.

114 (c) The petition shall state the approximate time
115 anticipated by the taxpayer to present and argue his or her
116 petition before the board.

117 (d) The petition may be filed, as to valuation issues, at
118 any time during the taxable year on or before the 25th day

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COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. CS/HB 695 (2015)

Amendment No. 1

119 following the mailing of notice by the property appraiser as
120 provided in subsection (1). With respect to an issue involving
121 the denial of an exemption, an agricultural or high-water
122 recharge classification application, an application for
123 classification as historic property used for commercial or
124 certain nonprofit purposes, or a deferral, the petition must be
125 filed at any time during the taxable year on or before the 30th
126 day following the mailing of the notice by the property
127 appraiser under s. 193.461, s. 193.503, s. 193.625, s. 196.173,
128 or s. 196.193 or notice by the tax collector under s. 197.2425.

129 (e) A condominium association, cooperative association, or
130 any homeowners' association as defined in s. 723.075, with
131 approval of its board of administration or directors, may file
132 with the value adjustment board a single joint petition on
133 behalf of any association members who own parcels of property
134 which the property appraiser determines are substantially
135 similar with respect to location, proximity to amenities, number
136 of rooms, living area, and condition. The condominium
137 association, cooperative association, or homeowners' association
138 as defined in s. 723.075 shall provide the unit owners with
139 notice of its intent to petition the value adjustment board and
140 shall provide at least 20 days for a unit owner to elect, in
141 writing, that his or her unit not be included in the petition.

142 (f) An owner of contiguous, undeveloped parcels may file
143 with the value adjustment board a single joint petition if the

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144 property appraiser determines such parcels are substantially
145 similar in nature.

146 (g) The individual, agent, or legal entity that signs the
147 petition becomes an agent of the taxpayer for the purpose of
148 serving process to obtain personal jurisdiction over the
149 taxpayer for the entire value adjustment board proceedings,
150 including any appeals of a board decision by the property
151 appraiser pursuant to s. 194.036.

152 (4) (a) At least 15 days before the hearing the petitioner
153 shall provide to the property appraiser a list of evidence to be
154 presented at the hearing, together with copies of all
155 documentation to be considered by the value adjustment board and
156 a summary of evidence to be presented by witnesses.

157 (b) No later than 7 days before the hearing, if the
158 petitioner has provided the information required under paragraph
159 (a), and if requested in writing by the petitioner, the property
160 appraiser shall provide to the petitioner a list of evidence to
161 be presented at the hearing, together with copies of all
162 documentation to be considered by the value adjustment board and
163 a summary of evidence to be presented by witnesses. The evidence
164 list must contain the property record card for the property that
165 is the subject of the petition as well as the property record
166 card for any comparable property listed as evidence, unless the
167 property record cards are available online from the property
168 appraiser. If the petitioner's property record card or the
169 comparable property record cards listed as evidence are

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170 available online from the property appraiser, the property
171 appraiser must notify the petitioner of the cards that are
172 available online but is not required to provide such card or
173 cards if provided by the clerk. Failure of the property
174 appraiser to timely comply with the requirements of this
175 paragraph shall result in a rescheduling of the hearing. The
176 property appraiser must redact any confidential information
177 contained on any property record card before it is submitted to
178 the petitioner.

179 (c) Notwithstanding a prior request by a property
180 appraiser for information pursuant to s. 193.011, provisions
181 related to evidence exchange contained in this section only
182 apply to value adjustment board proceedings after the petitioner
183 has served notice of intention to challenge the property
184 appraiser's assessment of value or classification of property
185 pursuant to this section.

186 (d) Evidence that is confidential under law remains
187 confidential until it is submitted to the value adjustment board
188 for consideration and admission into the record.

189 Section 7. Subsection (2) of section 194.014, Florida
190 Statutes, is amended to read:

191 194.014 Partial payment of ad valorem taxes; proceedings
192 before value adjustment board.-

193 (2) If the value adjustment board or the property
194 appraiser determines that the petitioner owes ad valorem taxes
195 in excess of the amount paid, the unpaid amount accrues interest

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196 at an annual percentage rate equal to the bank prime loan rate
197 on July 1, or the first business day thereafter if July 1 is a
198 Saturday, Sunday, or legal holiday, of the tax ~~the rate of 12~~
199 percent per year, beginning on ~~from~~ the date the taxes became
200 delinquent pursuant to s. 197.333 until the unpaid amount is
201 paid. If the value adjustment board or the property appraiser
202 determines that a refund is due, the overpaid amount accrues
203 interest at an annual percentage rate equal to the bank prime
204 loan rate on July 1, or the first business day thereafter if
205 July 1 is a Saturday, Sunday, or legal holiday, of the tax ~~the~~
206 rate of 12 percent per year, beginning on ~~from~~ the date the
207 taxes became delinquent pursuant to s. 197.333 until a refund is
208 paid. Interest does not accrue on amounts paid in excess of 100
209 percent of the current taxes due as provided on the tax notice
210 issued pursuant to s. 197.322. For purposes of this subsection,
211 the term "bank prime loan rate" means the average predominant
212 prime rate quoted by commercial banks to large businesses as
213 determined by the Board of Governors of the Federal Reserve
214 System.

215 Section 8. Effective July 1, 2016, section 194.015,
216 Florida Statutes, is amended to read:

217 194.015 Value adjustment board.—There is hereby created a
218 value adjustment board for each county, which shall consist of
219 five citizen members appointed by the legislative delegation of
220 state representatives and state senators who represent the
221 county. One member must be an owner of homestead property in the

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222 county, one member must own commercial property in the county,
223 and one member must be a licensed real estate appraiser who is a
224 resident of the county. If no licensed real estate appraiser is
225 available, the legislative delegation may appoint another owner
226 of homestead or commercial property who is a resident of the
227 county. The final two members of the value adjustment board must
228 be residents of the county. Any three members shall constitute a
229 quorum of the board, and a meeting shall not take place unless a
230 quorum is present. One member shall serve as chairman of the
231 board as elected by the five members. The Department of Business
232 and Professional Regulation must provide continuing education
233 credits to appraiser members of value adjustment boards ~~two~~
234 ~~members of the governing body of the county as elected from the~~
235 ~~membership of the board of said governing body, one of whom~~
236 ~~shall be elected chairperson, and one member of the school board~~
237 ~~as elected from the membership of the school board, and two~~
238 ~~citizen members, one of whom shall be appointed by the governing~~
239 ~~body of the county and must own homestead property within the~~
240 ~~county and one of whom must be appointed by the school board and~~
241 ~~must own a business occupying commercial space located within~~
242 ~~the school district. A citizen member may not be a member or an~~
243 ~~employee of any taxing authority, and may not be a person who~~
244 ~~represents property owners in any administrative or judicial~~
245 ~~review of property taxes. The members of the board may be~~
246 ~~temporarily replaced by other members of the respective boards~~
247 ~~on appointment by their respective chairpersons. Any three~~

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248 ~~members shall constitute a quorum of the board, except that each~~
249 ~~quorum must include at least one member of said governing board,~~
250 ~~at least one member of the school board, and at least one~~
251 ~~citizen member and no meeting of the board shall take place~~
252 ~~unless a quorum is present.~~ Members of the board may receive
253 such per diem compensation as is allowed by law for state
254 employees ~~if both bodies elect to allow such compensation.~~ The
255 clerk of the governing body of the county shall be the clerk of
256 the value adjustment board. The board shall appoint private
257 counsel who has practiced law for over 5 years and who shall
258 receive such compensation as may be established by the board.
259 The private counsel may not represent the property appraiser,
260 the tax collector, any taxing authority, or any property owner
261 in any administrative or judicial review of property taxes. No
262 meeting of the board shall take place unless counsel to the
263 board is present. Two-fifths of the expenses of the board shall
264 be borne by the district school board and three-fifths by the
265 district county commission. The district school board and
266 district county commission may audit the expenses related to the
267 value adjustment board process.

268 Section 9. Paragraph (a) of subsection (2) of section
269 194.032, Florida Statutes, is amended, and subsection (4) is
270 added to that section, to read:

271 194.032 Hearing purposes; timetable.—

272 (2) (a) The clerk of the governing body of the county shall
273 prepare a schedule of appearances before the board based on

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274 petitions timely filed with him or her. The clerk shall notify
275 each petitioner of the scheduled time of his or her appearance
276 at least 25 calendar days before the day of the scheduled
277 appearance. The notice must indicate whether the petition has
278 been scheduled to be heard at a particular time or during a
279 block of time. If the petition has been scheduled to be heard
280 within a block of time, the beginning and ending of that block
281 of time must be indicated on the notice; however, as provided in
282 paragraph (b), a petitioner may not be required to wait for more
283 than a reasonable time, not to exceed 2 hours, after the
284 beginning of the block of time. ~~If the petitioner checked the~~
285 ~~appropriate box on the petition form to request a copy of the~~
286 ~~property record card containing relevant information used in~~
287 ~~computing the current assessment, the~~ The property appraiser
288 must provide a the copy of the property record card containing
289 information relevant to the computation of the current
290 assessment, with confidential information redacted, to the
291 petitioner upon receipt of the petition from the clerk
292 regardless of whether the petitioner initiates evidence
293 exchange, unless the property record card is available online
294 from the property appraiser, in which case the property
295 appraiser must notify the petitioner that the property record
296 card is available online. Upon receipt of the notice, the
297 petitioner or the property appraiser, for good cause, may
298 reschedule the hearing a single time by submitting to the clerk
299 a written request to reschedule, at least 5 calendar days before

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300 the day of the originally scheduled hearing. If the hearing is
301 rescheduled by the petitioner or the property appraiser, the
302 clerk shall notify the petitioner of the rescheduled time of his
303 or her appearance at least 15 calendar days before the day of
304 the rescheduled appearance.

305 (4) The board must hear all petitions, complaints,
306 appeals, and disputes and must submit the certified assessment
307 roll as required under s. 193.122 to the property appraiser each
308 year by June 1 of the tax year following the assessment date.

309 Section 10. Paragraph (a) of subsection (1) and subsection
310 (2) of section 194.034, Florida Statutes, are amended to read:

311 194.034 Hearing procedures; rules.—

312 (1) (a) Petitioners before the board may be represented by
313 a corporate representative of the taxpayer, an attorney who is a
314 member of The Florida Bar, an individual with power of attorney
315 to act on the behalf of the taxpayer pursuant to part II of
316 chapter 709, a licensed real estate appraiser, a licensed real
317 estate broker, or a certified public accountant retained by the
318 taxpayer ~~an attorney or agent~~ and may present testimony and
319 other evidence. The property appraiser or his or her authorized
320 representatives may be represented by an attorney in defending
321 the property appraiser's assessment or opposing an exemption and
322 may present testimony and other evidence. The property
323 appraiser, each petitioner, and all witnesses shall be required,
324 upon the request of either party, to testify under oath as
325 administered by the chairperson of the board. Hearings shall be

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326 conducted in the manner prescribed by rules of the department,
327 which rules shall include the right of cross-examination of any
328 witness.

329 (2) In each case, except if the complaint is withdrawn by
330 the petitioner or if the complaint is acknowledged as correct by
331 the property appraiser, the value adjustment board shall render
332 a written decision. All such decisions shall be issued within 20
333 calendar days after the last day the board is in session under
334 s. 194.032. The decision of the board must contain findings of
335 fact and conclusions of law and must include reasons for
336 upholding or overturning the determination of the property
337 appraiser. Findings of fact must be based on admitted evidence
338 or a lack thereof. Conclusions of law must be logically
339 connected to the findings of fact and must be stated in
340 statutory terms. If a special magistrate has been appointed, the
341 recommendations of the special magistrate shall be considered by
342 the board. The clerk, upon issuance of a decision, shall, on a
343 form provided by the Department of Revenue, notify each taxpayer
344 and the property appraiser of the decision of the board. This
345 notification shall be by first-class mail or by electronic means
346 if selected by the taxpayer on the originally filed petition. If
347 requested by the Department of Revenue, the clerk shall provide
348 to the department a copy of the decision or information relating
349 to the tax impact of the findings and results of the board as
350 described in s. 194.037 in the manner and form requested.

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351 Section 11. Subsection (1) of section 194.035, Florida
352 Statutes, is amended to read:

353 194.035 Special magistrates; property evaluators.—

354 (1) In counties having a population of more than 75,000,
355 the board shall appoint special magistrates for the purpose of
356 taking testimony and making recommendations to the board, which
357 recommendations the board may act upon without further hearing.
358 These special magistrates may not be elected or appointed
359 officials or employees of the county but shall be selected from
360 a list of those qualified individuals who are willing to serve
361 as special magistrates. Employees and elected or appointed
362 officials of a taxing jurisdiction or of the state may not serve
363 as special magistrates. The clerk of the board shall annually
364 notify such individuals or their professional associations to
365 make known to them that opportunities to serve as special
366 magistrates exist. The Department of Revenue shall provide a
367 list of qualified special magistrates to any county with a
368 population of 75,000 or less. Subject to appropriation, the
369 department shall reimburse counties with a population of 75,000
370 or less for payments made to special magistrates appointed for
371 the purpose of taking testimony and making recommendations to
372 the value adjustment board pursuant to this section. The
373 department shall establish a reasonable range for payments per
374 case to special magistrates based on such payments in other
375 counties. Requests for reimbursement of payments outside this
376 range shall be justified by the county. If the total of all

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377 requests for reimbursement in any year exceeds the amount
378 available pursuant to this section, payments to all counties
379 shall be prorated accordingly. If a county having a population
380 less than 75,000 does not appoint a special magistrate to hear
381 each petition, the person or persons designated to hear
382 petitions before the value adjustment board or the attorney
383 appointed to advise the value adjustment board shall attend the
384 training provided pursuant to subsection (3), regardless of
385 whether the person would otherwise be required to attend, but
386 shall not be required to pay the tuition fee specified in
387 subsection (3). A special magistrate appointed to hear issues of
388 exemptions and classifications shall be a member of The Florida
389 Bar with no less than 5 years' experience in the area of ad
390 valorem taxation. A special magistrate appointed to hear issues
391 regarding the valuation of real estate shall be a state
392 certified real estate appraiser with not less than 5 years'
393 experience in real property valuation. A special magistrate
394 appointed to hear issues regarding the valuation of tangible
395 personal property shall be a designated member of a nationally
396 recognized appraiser's organization with not less than 5 years'
397 experience in tangible personal property valuation. A special
398 magistrate need not be a resident of the county in which he or
399 she serves. A special magistrate may not represent a person
400 before the board in any tax year during which he or she has
401 served that board as a special magistrate. Before appointing a
402 special magistrate, a value adjustment board shall verify the

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403 special magistrate's qualifications. The value adjustment board
404 shall ensure that the selection of special magistrates is based
405 solely upon the experience and qualifications of the special
406 magistrate and is not influenced by the property appraiser. The
407 special magistrate shall accurately and completely preserve all
408 testimony and, in making recommendations to the value adjustment
409 board, shall include proposed findings of fact, conclusions of
410 law, and reasons for upholding or overturning the determination
411 of the property appraiser. The expense of hearings before
412 magistrates and any compensation of special magistrates shall be
413 borne three-fifths by the board of county commissioners and two-
414 fifths by the school board. When appointing special magistrates
415 or scheduling special magistrates for specific hearings, the
416 board, board attorney, and board clerk may not consider the
417 dollar amount or percentage amount of any assessment reductions
418 recommended by any special magistrate either in the current year
419 or in any previous year.

420 Section 12. Section 196.141, Florida Statutes, is amended
421 to read:

422 196.141 Homestead exemptions; duty of property appraiser.-

423 (1) The property appraiser shall examine each claim for
424 exemption filed with or referred to him or her and shall allow
425 the exemption same, if found to be in accordance with law, by
426 marking the exemption same approved and by making the proper
427 deductions on the assessment rolls tax-books.

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428 (2) The property appraiser may contract for services to
429 examine or audit homestead tax exemptions claimed on assessment
430 rolls. Agreements for such contracted services shall, at a
431 minimum, provide that:

432 (a) The contractor may contact the person claiming a
433 homestead exemption only with the approval of the property
434 appraiser and for the exclusive purpose of examining or auditing
435 the homestead exemption.

436 (b) If the contractor's examination or audit reveals that
437 the person was not entitled to the homestead exemption, the
438 contractor must disclose the matter to the property appraiser
439 for proceedings pursuant ss. 196.151 and 196.161.

440 (c) The contractor is solely liable for any claims arising
441 from the contractor's performance.

442 (d) The contractor's compensation will consist solely of a
443 portion, as specified in the agreement, of the penalties imposed
444 pursuant to this chapter and collected on the assessments
445 resulting from the contractor's examination or audit and the
446 removal of homestead exemptions from previous and current year
447 tax rolls.

448

449 A property appraiser contracting for such services may receive
450 the interest imposed pursuant to this chapter and collected on
451 the taxes owed on previous and current year assessment rolls.
452 After distributing the compensation for such contracted services
453 and the interest that the property appraiser retains, the tax

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454 collector shall distribute any back taxes collected under
455 chapter 197.

456 Section 13. Paragraph (b) of subsection (1) and
457 subsections (2) and (3) of section 196.161, Florida Statutes,
458 are amended to read:

459 196.161 Homestead exemptions; lien imposed on property of
460 person claiming exemption although not a permanent resident.—

461 (1)

462 (b) In addition, upon determination by the property
463 appraiser that for any year or years within the prior 10 years a
464 person who was not entitled to a homestead exemption was granted
465 a homestead exemption from ad valorem taxes, ~~it shall be the~~
466 ~~duty of~~ the property appraiser making such determination shall
467 ~~to~~ serve upon the owner a notice of intent to record in the
468 public records of the county a notice of tax lien against any
469 property owned by that person in the county, and such property
470 shall be identified in the notice of tax lien. Such property
471 which is situated in this state shall be subject to the taxes
472 exempted thereby, plus a penalty of 50 percent of the unpaid
473 taxes for each year and 15 percent interest per annum. However,
474 if a homestead exemption is improperly granted as a result of a
475 clerical mistake or an omission by the property appraiser, the
476 person improperly receiving the exemption shall not be assessed
477 penalty and interest. Before ~~any~~ such lien may be filed, the
478 owner so notified must be given 30 days to pay the taxes,

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479 penalties, and interest. The tax lien shall be filed for the
480 taxes, penalties, and interest that remain unpaid 30 days after
481 the notice is sent. Such tax lien shall remain on the property
482 until the taxes, penalties, and interest are paid in full.

483 (2) Except when a homestead exemption is improperly
484 granted as the result of a clerical error by the property
485 appraiser, taxes, penalties, and interest assessed pursuant to
486 this section that are not paid in full shall be included in the
487 next tax notice and shall be collected in the same manner as,
488 and in addition to, the current ad valorem taxes under chapter
489 197, including the annual tax certificate sale when appropriate.
490 ~~The collection of the taxes provided in this section shall be in~~
491 ~~the same manner as existing ad valorem taxes, and the above~~
492 ~~procedure of recapturing such taxes shall be supplemental to any~~
493 ~~existing provision under the laws of this state.~~

494 (3) The lien under subsection (1) constitutes a first lien
495 as set forth in s. 197.122 herein provided shall not attach to
496 the property until the notice of tax lien is filed among the
497 public records of the county where the property is located.
498 ~~Prior to the filing of such notice of lien, any purchaser for~~
499 ~~value of the subject property shall take free and clear of such~~
500 ~~lien. Such lien when filed shall attach to any property which is~~
501 ~~identified in the notice of lien and is owned by the person who~~
502 ~~illegally or improperly received the homestead exemption. Should~~
503 ~~such person no longer own property in the county, but own~~
504 ~~property in some other county or counties in the state, it shall~~

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505 ~~be the duty of the property appraiser to record a notice of tax~~
506 ~~lien in such other county or counties, identifying the property~~
507 ~~owned by such person in such county or counties, and it shall~~
508 ~~become a lien against such property in such county or counties.~~

509 Section 14. Effective October 1, 2015, subsection (3) and
510 paragraph (a) of subsection (4) of section 200.069, Florida
511 Statutes, are amended to read:

512 200.069 Notice of proposed property taxes and non-ad
513 valorem assessments.—Pursuant to s. 200.065(2)(b), the property
514 appraiser, in the name of the taxing authorities and local
515 governing boards levying non-ad valorem assessments within his
516 or her jurisdiction and at the expense of the county, shall
517 prepare and deliver by first-class mail to each taxpayer to be
518 listed on the current year's assessment roll a notice of
519 proposed property taxes, which notice shall contain the elements
520 and use the format provided in the following form.

521 Notwithstanding the provisions of s. 195.022, no county officer
522 shall use a form other than that provided herein. The Department
523 of Revenue may adjust the spacing and placement on the form of
524 the elements listed in this section as it considers necessary
525 based on changes in conditions necessitated by various taxing
526 authorities. If the elements are in the order listed, the
527 placement of the listed columns may be varied at the discretion
528 and expense of the property appraiser, and the property
529 appraiser may use printing technology and devices to complete
530 the form, the spacing, and the placement of the information in

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531 the columns. A county officer may use a form other than that
532 provided by the department for purposes of this part, but only
533 if his or her office pays the related expenses and he or she
534 obtains prior written permission from the executive director of
535 the department; however, a county officer may not use a form the
536 substantive content of which is at variance with the form
537 prescribed by the department. The county officer may continue to
538 use such an approved form until the law that specifies the form
539 is amended or repealed or until the officer receives written
540 disapproval from the executive director.

541 (3) There shall be under each column heading an entry for
542 the county, with subheading entries for the proportionate amount
543 of gross ad valorem tax or millage attributable to the budget of
544 the sheriff, the property appraiser, the clerk of the circuit
545 court and county comptroller, the tax collector, and the
546 supervisor of elections; the school district levy required
547 pursuant to s. 1011.60(6); other operating school levies; the
548 municipality or municipal service taxing unit or units in which
549 the parcel lies, if any; the water management district levying
550 pursuant to s. 373.503; the independent special districts in
551 which the parcel lies, if any; and for all voted levies for debt
552 service applicable to the parcel, if any.

553 (4) For each entry listed in subsection (3), there shall
554 appear on the notice the following:

555 (a) In the first column, a brief, commonly used name for
556 the taxing authority or its governing body. The heading for the

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557 county must have subheadings for the sheriff, the property
558 appraiser, the clerk of the circuit court and county
559 comptroller, the tax collector, and the supervisor of elections.

560 The entry in the first column for the levy required pursuant to
561 s. 1011.60(6) shall be "By State Law." The entry for other
562 operating school district levies shall be "By Local Board." Both
563 school levy entries shall be indented and preceded by the
564 notation "Public Schools:". For each voted levy for debt
565 service, the entry shall be "Voter Approved Debt Payments."

566 Section 15. Subsection (3) of section 213.30, Florida
567 Statutes, is amended to read:

568 213.30 Compensation for information relating to a
569 violation of the tax laws.-

570 (3) Notwithstanding any other provision of law, this
571 section and s. 196.141 are ~~is~~ the sole means by which a any
572 person may seek or obtain any moneys as the result of, in
573 relation to, or founded upon the failure by another person to
574 comply with the tax laws of this state. A person's use of any
575 other law to seek or obtain moneys for such failure is in
576 derogation of this section and s. 196.141 and conflicts with the
577 state's duty to administer the tax laws.

578 Section 16. The Legislature finds that this act fulfills
579 an important state interest.

580 Section 17. Except as otherwise expressly provided in this
581 act, this act shall take effect July 1, 2015.

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T I T L E A M E N D M E N T
Remove everything before the enacting clause and insert:
A bill to be entitled
An act relating to ad valorem taxation; amending s.
129.03, F.S.; revising the information required to be
included on summaries of adopted tentative budgets;
amending s. 192.0105, F.S.; conforming provisions to
changes made by the act; amending s. 193.0235, F.S.;
revising the definition of the term "common element"
for purposes of prorating ad valorem taxes for certain
properties under certain circumstances; amending s.
193.122, F.S.; establishing deadlines for value
adjustment boards to complete final assessment roll
certifications; providing applicability; amending s.
194.011, F.S.; revising the procedures for filing
petitions to the value adjustment board; revising the
procedures used during a value adjustment board
hearing; revising the documentation required to be on
evidence lists during value adjustment board hearings;
amending s. 194.014, F.S.; revising the interest rate
upon which certain unpaid and overpaid ad valorem
taxes accrue; defining the term "bank prime loan
rate"; amending s. 194.015, F.S.; revising the
membership and requirements for meetings of value
adjustment boards; authorizing the district school

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609 board and district county commission to audit certain
610 expenses of the value adjustment board; amending s.
611 194.032, F.S.; revising requirements for the provision
612 of property record cards to a petitioner; requiring a
613 petitioner and the property appraiser to show good
614 cause to reschedule a hearing related to an
615 assessment; requiring value adjustment boards to
616 address issues concerning assessment rolls by a time
617 certain; amending s. 194.034, F.S.; revising the
618 entities that may represent a taxpayer before the
619 value adjustment board; revising provisions relating
620 to findings of fact and conclusions of law; amending
621 s. 194.035, F.S.; prohibiting consideration to be
622 given in the appointment of special magistrates to
623 assessment reductions recommended by a special
624 magistrate; amending s. 196.141, F.S.; authorizing
625 property appraisers to contract for the examination
626 and audit of homestead exemption claims; specifying
627 terms that must be included in the contract;
628 specifying payment for such contracted services;
629 authorizing the property appraiser to retain certain
630 interest earnings; amending s. 196.161, F.S.;
631 requiring the filing of tax liens for taxes,
632 penalties, and interest that remain unpaid after a
633 specified time; requiring that certain unpaid tax
634 liens be included in the next assessment roll;

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COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. CS/HB 695 (2015)

Amendment No. 1

635 specifying that such lien is superior to all other
636 liens; deleting provisions specifying when liens
637 attach to property; amending s. 200.069, F.S.;
638 revising the information to be included on the notice
639 of proposed property taxes and non-ad valorem
640 assessments; amending s. 213.30, F.S.; specifying that
641 certain persons may seek or obtain funds because of
642 the failure of other persons to comply with the
643 state's tax laws, including homestead exemptions;
644 providing a finding of important state interest;
645 providing effective dates.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 1063 Government Accountability
SPONSOR(S): Government Operations; Metz
TIED BILLS: IDEN./SIM. BILLS: CS/CS/SB 1372

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Government Operations Subcommittee	11 Y, 0 N, As CS	Harrington	Williamson
2) Appropriations Committee		White <i>CCW</i>	Leznoff <i>JL</i>
3) State Affairs Committee			

SUMMARY ANALYSIS

Various statutes ensure government accountability of state and local governments. For example, the Auditor General conducts audits of accounts and records of state agencies, state universities, state colleges, district school boards, and others as directed by the Legislative Auditing Committee. The Auditor General conducts operational and performance audits on public records and information technology systems. The Auditor General also reviews all audit reports of local governmental entities, charter schools, and charter technical career centers. Other statutes require publishing of budgets online, disclosing of financial interests, and registering before lobbying certain entities.

The bill amends statutes pertaining to government accountability and auditing. The bill:

- Specifies that the Governor, the Commissioner of Education, or the designee of the Governor or of the Commissioner of Education may notify the Legislative Auditing Committee of an entity's failure to comply with certain auditing and financial reporting requirements;
- Provides definitions for the terms "abuse," "fraud," and "waste;"
- Requires each agency, the judicial branch, the Justice Administrative Commission, state attorneys, public defenders, criminal conflict and civil regional counsel, the Guardian Ad Litem program, local governmental entities, governing bodies of charter schools, each school district, Florida College System institution, and each state university to establish and maintain internal controls;
- Authorizes the Chief Financial Officer or a governing body to withhold a specified amount of a fine owed and related administrative costs from public salary-related payments of certain individuals, and provides hardship exceptions;
- Expands the types of governmental entities that are subject to lobbyist registration requirements;
- Requires counties, municipalities, and special districts to maintain certain budget documents on the entities' websites for specified timeframes;
- Requires a unit of government to investigate and take necessary action to recover prohibited compensation, specifies methods of recovery and liability for violations, and provides a reward structure to those reporting prohibited compensation;
- Revises the monthly financial statement requirements for water management districts;
- Revises the composition of an audit committee;
- Prohibits certain officers, members, or directors from representing a person or entity before Enterprise Florida, its divisions, and the Florida Development Finance Corporation;
- Requires completion of an annual financial audit of the Florida Virtual School; and
- Requires a district school board, Florida College System board of trustees, or university board of trustees to respond to audit recommendations under certain circumstances.

The act provides that it fulfills an important state interest.

The bill may have an indeterminate but likely insignificant negative fiscal impact on state and local governments. See Fiscal Comments.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

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DATE: 4/3/2015

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Background

Auditor General

The position of Auditor General is established by s. 2, Art. III of the State Constitution. The Auditor General is appointed to office to serve at the pleasure of the Legislature, by a majority vote of the members of the Legislative Auditing Committee, subject to confirmation by both houses of the Legislature.¹ The appointment of the Auditor General may be terminated at any time by a majority vote of both houses of the Legislature.² The Auditor General, before entering upon the duties of the office, must take the oath of office required of state officers by the State Constitution.³ At the time of appointment, the Auditor General must have been certified under the Public Accountancy Law in Florida for a period of at least 10 years and may not have less than 10 years' experience in an accounting or auditing related field.⁴

To carry out his or her duties, the Auditor General must make all spending decisions within the annual operating budget approved by the President of the Senate and the Speaker of the House of Representatives.⁵ The Auditor General must employ qualified persons necessary for the efficient operation of the Auditor General's office and must fix their duties and compensation and, with the approval of the President of the Senate and Speaker of the House of Representatives, must adopt and administer a uniform personnel, job classification and pay plan for employees.⁶

The Auditor General must:⁷

- Conduct audits of records and perform related duties as prescribed by law, concurrent resolution of the Legislature, or as directed by the Legislative Auditing Committee;
- Annually conduct a financial audit of state government;
- Annually conduct financial audits of all state universities and state colleges;
- Annually conduct financial audits of all accounts and records of all district school boards in counties with populations of fewer than 150,000, according to the most recent federal decennial statewide census;
- Once every three years, conduct financial audits of the accounts and records of all district school boards in counties that have populations of 150,000 or more, according to the most recent federal decennial statewide census;
- At least every three years, conduct operational audits of the accounts and records of state agencies, state universities, state colleges, district school boards, and Florida Clerks of Court Operations Corporation, water management districts, and the Florida School for the Deaf and the Blind;
- At least every three years, conduct a performance audit of the local government financial reporting system, which means any statutory provision related to local government financial reporting;
- At least every three years, conduct a performance audit of the Department of Revenue's administration of the ad valorem tax laws;

¹ Section 11.42(2), F.S.

² Section 11.42(5), F.S.

³ Section 11.42(4), F.S.

⁴ Section 11.42(2), F.S.

⁵ Section 11.42(3)(a), F.S.

⁶ *Id.*

⁷ Section 11.45(2), F.S.

- Once every three years, review a sample of internal audit reports at each state agency⁸ to determine compliance with the current Standards for Professional Practice of Internal Auditing or, if appropriate, government auditing standards;
- Conduct audits of local governmental entities when determined to be necessary by the Auditor General, when directed by the Legislative Auditing Committee, or when otherwise required by law; and
- Annually conduct operational audits of the accounts and records of eligible nonprofit scholarship-funding organizations receiving eligible contributions under s. 1002.395, F.S., to determine compliance with that section.

The Auditor General may, pursuant to his or her own authority, or at the direction of the Legislative Auditing Committee, conduct audits or other engagements as determined appropriate by the Auditor General of:⁹

- The accounts and records of any governmental entity created or established by law;
- The information technology programs, activities, functions, or systems of any governmental entity created or established by law;
- The accounts and records of any charter school created or established by law;
- The accounts and records of any direct-support organization or citizen support organization created or established by law;
- The public records associated with any appropriation made by the Legislature to a nongovernmental agency, corporation, or person;
- State financial assistance provided to any nonstate entity;
- The Tobacco Settlement Financing Corporation;
- Any purchases of federal surplus lands for use as sites for correctional facilities;
- Enterprise Florida, Inc., including any of its boards, advisory committees, or similar groups created by Enterprise Florida, Inc., and programs;
- The Florida Development Finance Corporation or the capital development board or the programs or entities created by the board;
- The records pertaining to the use of funds from voluntary contributions on a motor vehicle registration application or on a driver's license application;
- The records pertaining to the use of funds from the sale of specialty license plates;
- The transportation corporations under contract with the Department of Transportation that are acting on behalf of the state to secure and obtain rights-of-way for urgently needed transportation systems and to assist in the planning and design of such systems;
- The acquisition and divestitures related to the Florida Communities Trust Program;
- The Florida Water Pollution Control Financing Corporation;
- The school readiness program, including the early learning coalitions;
- The Florida Special Disability Trust Fund Financing Corporation;
- Workforce Florida, Inc., or other programs or entities created by Workforce Florida, Inc.;
- The corporation under contract with the Department of Business and Professional Regulation to provide administrative, investigative, examination, licensing, and prosecutorial support services;
- The Florida Engineers Management Corporation;
- The books and records of any permitholder that conducts race meetings or jai alai exhibitions;
- The corporation known as the Prison Rehabilitative Industries and Diversified Enterprise, Inc., or PRIDE Enterprises;
- The Florida Virtual School;
- Virtual education providers receiving state funds or funds from local ad valorem taxes; and

⁸ Section 20.055, F.S., defines the term "state agency" as each department created pursuant to chapter 20, F.S., and also includes the Executive Office of the Governor, the Department of Military Affairs, the Fish and Wildlife Conservation Commission, the Office of Insurance Regulation of the Financial Services Commission, the Office of Financial Regulation of the Financial Services Commission, the Public Service Commission, the Board of Governors of the State University System, the Florida Housing Finance Corporation, the Agency for State Technology, and the state courts system.

⁹ Section 11.45(3), F.S.

- The accounts and records of a nonprofit scholarship-funding organization participating in a state sponsored scholarship program authorized by chapter 1002, F.S.

Auditor General Reports

The Auditor General must conduct audits, examinations, or reviews of government programs.¹⁰ Various provisions require the Auditor General to compile and submit reports. For example, the Auditor General must annually compile and transmit to the President of the Senate, Speaker of the House of Representatives, and Legislative Auditing Committee a summary of significant findings and financial trends identified in audit reports.¹¹ The Auditor General also must compile and transmit to the President of the Senate, Speaker of the House of Representatives, and Legislative Auditing Committee an annual report by December 1. The report must include a two-year work plan identifying the audit and other accountability activities to be undertaken and a list of statutory and fiscal changes recommended by the Auditor General.¹² In addition, the Auditor General must transmit recommendations at other times during the year when the information would be timely and useful to the Legislature.¹³

The annual report for the Auditor General for November 1, 2012, through October 31, 2013, recommended, among others, the following change to the current law:¹⁴

Require each state and local government to maintain internal controls designed to prevent fraud and detect fraud, waste, and abuse; ensure the administration of assigned public duties and responsibilities in accordance with applicable laws, rules, contracts, grant agreements, and best practices; promote and encourage economic and efficient operations; ensure the reliability of financial records and reports; and safeguard assets.

Local Government Auditing

Current law requires local governments¹⁵ to submit to the Department of Financial Services (DFS) an annual financial report covering their operations for the preceding fiscal year.¹⁶ Each local governmental entity's website must provide a link to DFS' website to view the entity's annual financial report. If the local governmental entity does not have an official website, the county government's website must provide the required link for the local governmental entity.¹⁷

If a local government will not be audited by the Auditor General, then the local government must provide for an annual financial audit to be conducted within nine months after the end of its fiscal year by an independent certified public accountant retained by the entity and paid for from public funds.¹⁸ The audit report of an internal auditor prepared for or on behalf of a local government becomes a public record when the audit becomes final. Audit work papers and notes related to the audit are confidential and exempt from public record requirements until the audit report becomes final.¹⁹

Transparency Florida Act

The Transparency Florida Act (Act) requires specified governmental fiscal information to be made publicly available via website or management system.²⁰ The Act requires the Governor, in consultation with the appropriate committees of the House of Representatives and the Senate, to maintain a central

¹⁰ Section 11.45(7), F.S.

¹¹ Section 11.45(7)(f), F.S.

¹² Section 11.45(7)(h), F.S.

¹³ *Id.*

¹⁴ A copy of the report can be found online at: <http://www.myflorida.com/audgen/pages/annualrpt.htm> (last visited March 20, 2015).

¹⁵ Section 218.31(1), F.S., defines the term "local governmental entity" as a county agency, a municipality, or a special district. For purposes of s. 218.32, F.S., the term also includes a housing authority created under chapter 421, F.S.

¹⁶ Section 218.32(1)(a), F.S.

¹⁷ Section 218.32(1)(g), F.S.

¹⁸ Section 218.39(1), F.S.

¹⁹ Section 119.0713(2), F.S.

²⁰ Section 215.985, F.S.

website providing access to all other websites required to be linked under the Act. The law requires certain budget information to be readily available online, certain contract information, and minimum functionality standards.

Local Government Budgets

Counties,²¹ municipalities,²² and special districts²³ are required to post their tentative budgets on their websites two days prior to consideration of the budget. The final budget of a county, municipality, or special district must be posted on the website within 30 days after adoption. An amendment to a budget must be posted to the website within five days of adoption. Current law does not specify how long the items must remain on the website.

Water Management Districts

Section 373.069, F.S., provides for the creation of water management districts. A water management district (WMD) is defined as "any flood control, resource management, or water management district" operating under the authority of chapter 373, F.S.²⁴ There are five WMDs in Florida: Northwest Florida, Suwanee River, St. Johns River, Southwest Florida, and South Florida.²⁵

Budget Requirements

Section 373.536, F.S., governs WMD budget processes. The tentative budget must be posted on the WMD's website at least two days before the budget hearings are conducted. Final budgets must be posted on the WMD's website within 30 days of adoption.²⁶

Lobbying Registration Requirements

Persons who lobby WMDs must register annually with the WMD as a lobbyist.²⁷ The registration must include a statement signed by the principal stating that the registrant is authorized to lobby the principal, identify its main business pursuant to a classification system approved by the WMD, and disclose the existence of any direct or indirect business or financial relationship between the lobbyist and any officer or employee of the district.²⁸ A WMD may accept a completed legislative branch or executive branch lobbyist registration form in lieu of creating its own registration form.²⁹

Each WMD may levy an annual lobbyist registration fee not to exceed \$40 for each principal represented. The money collected must be used for administration of the lobbyist registration system.³⁰ The WMDs must be diligent in determining whether lobbyists are duly registered and are prohibited from knowingly allowing unregistered individuals to lobby the WMD.³¹

Financial Disclosures

The State Constitution requires all elected constitutional officers and candidates for such offices and, as may be determined by law, other public officers, candidates, and employees to file full and public disclosure of their financial interest.³² Financial disclosure requirements are contained in ss. 112.3144 and 112.3145, F.S. Section 112.3145, F.S., requires each state or local officer and each specified state employee to file a statement of financial interests no later than July 1 of each year.³³

²¹ Sections 129.03(3)(c) and 129.06(2)(f), F.S.

²² Section 166.241, F.S.

²³ Section 189.016, F.S.

²⁴ Section 373.019(23), F.S.

²⁵ Section 373.069(1), F.S.

²⁶ Section 373.536, F.S.

²⁷ Section 112.3261(2), F.S.

²⁸ *Id.*

²⁹ *Id.*

³⁰ Section 112.3261(5), F.S.

³¹ Section 112.3261(6), F.S.

³² Section 8, Art. II, Fla. Const.

³³ Section 112.3145(2)(b), F.S.

Those who are required to file a statement of financial interests pursuant to s. 112.3145, F.S., are required to disclose primary sources of income (other than from his or her public position), secondary sources of income (in certain circumstances), real property (other than a residence or vacation home in Florida), intangible personal property, liabilities, and interests in specified businesses. The law permits a filer to report the required interests based upon one of two thresholds. First, the filer may calculate whether an interest is required to be reported based upon whether that interest exceeds a specified percentage of his or her net worth. This is referred to as the "comparative (percentage) threshold." Alternatively, the filer may determine whether an interest is reported if the interest exceeds a specified dollar value. This is referred to as the "dollar value threshold."³⁴

The Commission on Ethics (Commission) serves as the depository for financial disclosure filings of state officers or employees. Those who serve at a local level file their financial disclosure with the local supervisor of elections. The Commission and supervisors of elections are statutorily required to assist each other in identifying those subject to the financial disclosure requirement, providing notice to those individuals, and tracking receipt of financial disclosures. In the event that an individual fails to timely file his or her financial disclosure, the Commission imposes an automatic fine of \$25 per day. The automatic fine is capped at \$1,500.³⁵ Neither the Commission nor the supervisor of elections is required to examine the financial disclosure filings.

Collection Methods for Unpaid Fines

Before referring any unpaid fine to DFS, the Commission must attempt to determine whether the individual owing such a fine is a current public officer or current public employee.³⁶ If so, the Commission must notify the Chief Financial Officer (CFO) or the governing body of the appropriate county, municipality, or special district of the total amount of any fine owed to the Commission. After verification from the Commission, the appropriate entity must begin withholding the lesser of 10 percent or the maximum amount allowed under federal law from any salary-related payment.³⁷ The withheld payments must be remitted until the fine is satisfied. If the individual is no longer a public officer or public employee, the Commission may seek a circuit court judgment and garnish wages to satisfy the amount of the fine owed.³⁸ Action may be taken to collect any unpaid fine within 20 years after the date the final order is rendered.³⁹

Extra Compensation Claims

Extra compensation claims are prohibited under s. 215.425, F.S., with some exceptions. The section provides that no extra compensation may be made to any officer, agent, employee, or contractor after service has been rendered or the contract made, unless such compensation or claim is allowed by a law enacted by two-thirds of the members elected to each house of the Legislature.

The section does not apply to:

- A bonus or severance pay that is paid wholly from nontax revenues and nonstate-appropriated funds, the payment and receipt of which does not otherwise violate part III of chapter 112, F.S., and which is paid to an officer, agent, employee, or contractor of a public hospital that is operated by a county or special district; or
- A clothing and maintenance allowance given to plainclothes deputies pursuant to s. 30.49, F.S.

Any policy, ordinance, rule, or resolution designed to implement a bonus scheme must:⁴⁰

- Base the award of a bonus on work performance;
- Describe the performance standards and evaluation process by which a bonus will be awarded;

³⁴ See s. 112.3145(3), F.S.

³⁵ Sections 112.3144(5)(e) and 112.3145(7)(f), F.S.

³⁶ Section 112.31455(1), F.S.

³⁷ Section 112.31455(1)(a), F.S.

³⁸ Section 112.31455(2), F.S.

³⁹ Section 112.31455(4), F.S.

⁴⁰ Section 215.425(3), F.S.

- Notify all employees of the policy, ordinance, rule, or resolution before the beginning of the evaluation period on which a bonus will be based; and
- Consider all employees for the bonus.

Current law provides requirements for severance pay provisions, which prohibit a unit of government from including severance pay in an amount greater than 20 weeks of compensation or when the employee has been fired for misconduct. In addition, an employee may receive an amount no greater than six weeks of compensation as severance if the severance pay represents the settlement of an employment dispute.⁴¹

Any agreement or contract executed on or after July 1, 2011, which involves extra compensation between a unit of government and an officer, agent, employee, or contractor, may not include provisions that limit the ability of any party to the agreement or contract to discuss the agreement or contract.⁴²

False Claims against the State

Section 68.082, F.S., prohibits a person from:

- Knowingly presenting a false or fraudulent claim for payment or approval;
- Knowingly making or using a false record or statement material to a false or fraudulent claim;
- Conspiring to commit a violation of this subsection;
- Having possession, custody, or control of property or money used or to be used by the state and knowingly delivering less than all of that money or property;
- Making or delivering a document certifying receipt of property used or to be used by the state and, intending to defraud the state, making or delivering the receipt without knowing that the information on the receipt is true;
- Knowingly buying or receiving, as a pledge of an obligation or a debt, public property from an officer or employee of the state who may not sell or pledge the property; or
- Knowingly making or using a false record or statement material to an obligation to pay or transmit money or property to the state, or knowingly concealing or knowingly and improperly avoiding or decreasing an obligation to pay or transmit money or property to the state.

A person who does any of the foregoing is liable to the state for a civil penalty of not less than \$5,500 and not more than \$11,000 and for treble the amount of damages the state sustains.⁴³

Section 68.083, F.S., authorizes the Department of Legal Affairs to investigate an allegation of a false claim against the state. If the Department of Legal Affairs determines that a violation has occurred, it is authorized to commence civil action against the violator. In addition, DFS may bring suit if the Department of Legal Affairs has not brought suit.⁴⁴

Effect of Proposed Changes

Audit Provisions

Currently the Auditor General, DFS, and the Division of Bond Finance of the State Board of Administration may notify the Legislative Auditing Committee (committee) if a local governmental entity, district school board, charter school, or charter technical career center fail to comply with certain auditing and financial reporting requirements. The bill adds to the list of entities that may notify the committee to include the Governor, the Commissioner of Education, or the designee of the Governor or the Commissioner of Education.

⁴¹ Section 215.425(4), F.S.

⁴² Section 215.425(5), F.S.

⁴³ Section 68.082(2), F.S.

⁴⁴ Section 68.083(1), F.S.

The bill creates the following definitions:

- “Abuse” means behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary operational practice given the facts and circumstances. The term includes the misuse of authority or position for personal gain or for the benefit of another.
- “Fraud” means obtaining something of value through willful misrepresentation, including, but not limited to, the intentional misstatements or omissions of amounts or disclosures in financial statements to deceive users of financial statements, theft of an entity’s assets, bribery, or the use of one’s position for personal enrichment through the deliberate misuse or misapplication of an organization’s resources.
- “Waste” means the act of using or expending resources unreasonably, carelessly, extravagantly, or for no useful purpose.

The bill amends the definition for “local governmental entity” to include tourist development council and county tourism promotion agency.

The bill amends s. 11.45(2)(j), F.S., to clarify that the audit provisions in that paragraph do not apply to WMDs; instead, the audit provisions in s. 11.45(2)(f), F.S., apply to WMDs. The bill expands the list of entities that must be included in the Auditor General report concerning entities that fail to comply with transparency requirements in s. 11.45, F.S., to include local governmental entities.

The bill requires each state agency, the judicial branch, the Justice Administrative Commission, state attorneys, public defenders, criminal conflict and civil regional counsel, the Guardian Ad Litem program, local governmental entities, governing bodies of charter schools, each school district, Florida College System institution, and each state university to:

- Establish and maintain internal controls, including controls designed to prevent and detect fraud, waste, and abuse;
- Promote and encourage compliance with applicable laws, rules, contracts, grant agreements, and best practices;
- Support economic and efficient operations;
- Ensure the reliability of financial records and reports; and
- Safeguard assets.

The bill increases the threshold total amount of state financial assistance level for purposes of triggering a state single audit or project-specific audit for nonstate entities. It raises the amount to \$750,000, rather than \$500,000. It provides that the Auditor General, after consulting with the Executive Office of the Governor, DFS, and all state awarding agencies, must review the threshold amount for requiring the audits, and if appropriate, may recommend to the Legislature a statutory change to the required amount.

The bill requires each local governmental entity required to provide an audit under s. 218.39(1), F.S., to provide an independent certified public accountant statement concerning whether or not the entity’s annual financial report is in agreement with the audited financial statement, and if not in agreement, it must specify the significant differences between the annual financial report and the audited financial statements and explain the differences. Such determination must be made at the level of detail required for the annual financial report.

The bill provides that DFS can request additional information when preparing a verified, annual report. The information requested must be provided to DFS within 45 days, and if the local governmental entity does not comply, DFS must notify the Legislative Auditing Committee.

If a local government audit report includes a recommendation that was previously included in the audit report, the bill requires the governing body to, during a regularly scheduled public meeting, indicate its intent regarding corrective action, or why it will not take action regarding the recommendation in the

report. The bill requires the same action for audits of school districts, Florida College System institutions, and universities.

The bill requires the Florida Virtual School to have an annual financial audit of its accounts and records completed by an independent auditor. The bill provides requirements and timeframes for the submission of the audit. The bill deletes the requirement that the Auditor General conduct an operational audit of the Florida Virtual School no later than January 31, 2014, as the language is obsolete.

Auditor Selection Procedures

The bill provides that for a municipality, special district, district school board, charter school, or charter technical career center, the audit committee must consist of at least three members, one of whom must be a member of the governing body of the municipality, special district, district school board, charter school, or charter technical career center. The chair of the audit committee must be a member of the governing body. For a county, municipality, special district, district school board, charter school, or charter technical career center, a member of the audit committee may not exercise financial management responsibilities for the county, municipality, special district, district school board, charter school, or charter technical career center.

The bill requires audit reports submitted pursuant to s. 218.39, F.S., to include an affidavit signed by the chair of the audit committee stating the entity has complied with s. 218.391(3)-(6), F.S., in selecting the auditor.⁴⁵

Clerks of Court

Current law requires the Clerks of Court Operations Corporation (corporation) to notify the Legislature of any clerk not meeting workload performance standards and provide a copy of any corrective action plans. The bill prescribes quarterly reporting periods for such notice, ending on the last day of the months of March, June, September, and December. The notification must be submitted no later than 45 days after the end of the quarterly period.

Unpaid Fines for Failure to Timely File Disclosure of Financial Interest

The bill authorizes the CFO or the governing body of the county, municipality, or special district to withhold 25 percent of any fine owed, and any administrative costs incurred, from the individual's next public salary-related payment, rather than 10 percent. The same percentage of each successive salary-related payment must be withheld until the fine and the administrative costs are paid in full. If the current public officer or current public employee demonstrates to the CFO or the governing body that the public salary is his or her primary source of income and that withholding the full amount of any fine owed from a public salary-related payment would present undue hardship, the withheld amount may be reduced but must be at least 10 percent.

The bill creates s. 112.31456, F.S., for unpaid fines related to individuals who are no longer a public officer or public employee or for those individuals that the Commission cannot determine whether the person is a public officer or public employee.

Lobbying Registration

The bill amends s. 112.3261, F.S., which relates to lobbying before WMDs. It expands the registration and reporting requirements to include "governmental entity" as defined in the section, rather than only WMDs. It defines "governmental entity" to mean:

A WMD, a hospital district, a children's services district, an expressway authority, a port authority, or an independent special district with annual revenues of more than \$5 million, which exercises ad valorem taxing authority.

⁴⁵ The subsections provide a competitive procurement process for selecting an auditor.

The bill requires a governmental entity to make its own lobbyist registration form, modeled after the legislative branch or executive branch lobbyist registration form. The form must be returned to the governmental entity.

Budgets

The bill specifies that a tentative county budget must remain on the county's website for at least 45 days, and the final budget must remain on the website for at least two years. In addition, an adopted amendment to the budget must remain published on the county's website for at least two years. The bill requires the same publishing timeframes for municipalities and WMDs.

Extra Compensation

The bill amends provisions related to extra compensation. The bill requires a unit of government to investigate and take all necessary action to recover any prohibited compensation upon discovery or notification that the unit has violated the laws relating to prohibited compensation. If the violation was unintentional, the bill requires the unit of government to recover the prohibited compensation through normal recovery methods for overpayments. If the violation was willful, the unit of government must recover the prohibited compensation from either the individual receiving the compensation or the individual or individuals responsible for approving the prohibited compensation. Each individual determined to have willfully violated the section is jointly and severally liable for repayment.

The bill makes the willful violation of the prohibition against extra compensation a misdemeanor of the first degree.⁴⁶ It authorizes the Governor to suspend an officer who willfully violates the law.

The bill provides for a reward for a person who reports a violation of the section of at least \$500, or the lesser of 10 percent of the funds recovered, or \$10,000 per incident. The bill prohibits the reward if the recovery of the prohibited compensation is based primarily on information other than what was provided by the person, or if the person was involved in the authorization, approval, or receipt of the prohibited compensation.

The bill provides that an employee has a cause of action under s. 112.3187, F.S., if the employee is discharged, demoted, suspended, threatened, harassed, or in any manner discriminated against by his or her employer because of lawful acts done by the employee concerning prohibited compensation.

If the unit of government fails to recover prohibited compensation for willful violation of this section upon discovery and notification of such prohibited payment within 90 days, a cause of action may be brought to:

- Recover state funds in accordance with ss. 68.082 and 68.083, F.S.⁴⁷
- Recover other funds by the Department of Legal Affairs using the procedures set forth in ss. 68.082 and 68.083, F.S., except that venue must lie in the circuit court of the county in which the unit of government is located.
- Recover other funds by a person using the procedures set forth in ss. 68.082 and 68.083, F.S., except that venue must lie in the circuit court of the county in which the unit of government is located.

Financial Statements

The bill requires DFS to specify the manner and form for the submission of a WMD monthly financial statement. It requires the WMD to make monthly financial statements available on its website.

Prohibited Representation

⁴⁶ A misdemeanor of the first degree is punishable by imprisonment not to exceed one year or a fine not to exceed \$1,000. Sections 775.082 and 775.083, F.S.

⁴⁷ Sections 68.082 and 68.083, F.S., relate to civil actions for false claims.

The bill prohibits specified officers and members of the board of directors from representing another person or entity for compensation before Enterprise Florida, Inc., for a period of two years after retirement from or termination of service to a division.

The bill prohibits a director of the board of directors of the Florida Development Finance Corporation from representing another person or entity for compensation before the Florida Development Finance Corporation for a period of two years after his or her service on the board.

Miscellaneous

The bill provides that it fulfills an important state interest.

B. SECTION DIRECTORY:

Section 1 amends s. 11.40, F.S., specifying that the Governor, the Commissioner of Education, or the designee of the Governor or of the Commissioner of Education may notify the Legislative Auditing Committee of an entity's failure to comply with certain auditing and financial reporting requirements.

Section 2 amends s. 11.45, F.S., revising and providing definitions; excluding water management districts from certain audit requirements applicable to the Auditor General.

Section 3 amends s. 28.35, F.S., revising reporting requirements applicable to the corporation.

Sections 4, 13, 17, 23, 25 amend ss. 43.16, 215.86, 218.33, and 1002.33, 1010.01, F.S., revising the responsibilities of each state agency, the judicial branch, the Justice Administrative Commission, state attorneys, public defenders, criminal conflict and civil regional counsel, the Guardian Ad Litem program, local governmental entities, governing bodies of charter schools, each school district, Florida College System institution, and state university to establish certain internal controls.

Section 5 amends s. 112.31455, F.S., authorizing the CFO or a governing body to withhold a specified percentage of a fine owed and related administrative costs from public salary-related payments of certain individuals; authorizing the CFO or a governing body to reduce the amount withheld if certain individuals demonstrate a hardship.

Section 6 creates s. 112.31456, F.S., authorizing the Commission to seek wage garnishment of certain individuals to satisfy unpaid fines; authorizing the Commission to refer unpaid fines to a collection agency; establishing a statute of limitations with respect to the collection of an unpaid fine.

Section 7 amends s. 112.3261, F.S., revising definitions to conform to changes made by the act; expanding the types of governmental entities that are subject to lobbyist registration requirements; requiring such entities to create lobbyist registration forms.

Sections 8, 9, 10, and 11 amend ss. 129.03, 129.06, 166.241, and 189.016, F.S., requiring counties, municipalities, and special districts to maintain certain budget documents on the entities' websites for a specified period.

Section 12 amends s. 215.425, F.S., requiring a unit of government to investigate and take necessary action to recover prohibited compensation; specifying methods of recovery and liability for unintentional and willful violations; providing a penalty; authorizing the Governor to suspend officers under specified circumstances; establishing eligibility criteria and amounts for awards; specifying circumstances under which an employee has a cause of action under the Whistle-blower's Act; establishing causes of action if a unit of government fails to recover prohibited compensation within a certain timeframe.

Section 14 amends s. 215.97, F.S., revising the definition of the term "audit threshold."

Section 15 amends s. 215.985, F.S., revising the requirements for a monthly financial statement provided by a WMD.

Section 16 amends s. 218.32, F.S., revising the requirements of the annual financial audit report of a local governmental entity; authorizing DFS to request additional information from a local governmental entity; requiring a local governmental entity to respond to such requests within a specified timeframe.

Section 18 amends s. 218.39, F.S., requiring an audited entity to respond to audit recommendations under specified circumstances.

Section 19 amends s. 218.391, F.S., revising the composition of audit committees; requiring audit reports to contain an affidavit of compliance; providing procedures for reselection of an auditor under certain circumstances.

Section 20 amends s. 288.92, F.S., prohibiting specified officers and board members of Enterprise Florida, Inc., from representing a person or entity for compensation before Enterprise Florida, Inc., for a specified timeframe.

Section 21 amends s. 288.9604, F.S., prohibiting a director of the board of directors of the Florida Development Finance Corporation from representing a person or entity for compensation before the corporation for a specified timeframe.

Section 22 amends s. 373.536, F.S., deleting obsolete language; requiring WMDs to maintain certain budget documents on the WMD's websites for a specified period.

Section 24 amends s. 1002.37, F.S., requiring completion of an annual financial audit of the Florida Virtual School; specifying audit requirements; requiring an audit report to be submitted to the board of trustees of the Florida Virtual School and the Auditor General; removing an obsolete provision.

Section 26 amends s. 1010.30, F.S., requiring a district school board, Florida College System board of trustees, or university board of trustees to respond to audit recommendations under certain circumstances.

Sections 27, 28, 29, and 30 amend ss. 68.082, 68.083, 218.503, and 1002.455, F.S., conforming provisions and cross-references to changes made by the act.

Section 31 declares that the act fulfills an important state interest.

Section 32 provides an effective date of October 1, 2015.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

See Fiscal Comments.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

See Fiscal Comments.

2. Expenditures:

See Fiscal Comments.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill requires members of the public to register as a lobbyist when lobbying a specified unit of local government. Current law authorizes a fee for each registration, which may not exceed \$40.

D. FISCAL COMMENTS:

The bill may have an indeterminate but likely insignificant negative fiscal impact on state and local governments. The bill requires state agencies, the court system, court-related entities, local governments, district school boards, charter schools, and state colleges and universities to establish specified internal controls. Such requirement may require additional time and expense to create the internal controls.

The bill amends provisions related to the prohibition against extra compensation. It requires investigations of allegations, and repayment of any prohibited compensation. It also requires the payment of rewards to individuals who report violations. The changes may result in the recovery of prohibited payments, but it also will have an associated increased workload cost for investigations and the payment of rewards.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The county/municipality mandates provision of Art. VII, s. 18 of the State Constitution may apply because the bill requires county and municipal governments to establish and maintain specified internal controls. An exemption may apply if the bill results in an insignificant fiscal impact to county or municipal governments. An exception also may apply because similarly situated persons are all required to comply and the bill articulates a threshold finding of serving an important state interest.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill requires the State Board of Education to prescribe by rule the filing deadline for the required financial statements. It also requires DFS to specify the form and manner for the submission of water management district monthly financial statements.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On March 24, 2015, the Government Operations Subcommittee adopted a strike-all amendment and reported the bill favorable with a committee substitute. The committee substitute:

- Clarifies that the internal controls must ensure the reliability of financial records and reports.
- Reduces the amount the CFO or the governing body of the county, municipality, or special district may withhold from an individual's public salary-related payment to 25 percent, rather than the entire amount of any fine owed.

- Requires a local governmental entity to model its registration form after the legislative branch or executive branch lobbyist registration form. The form must be returned to the local governmental entity.
- Requires an independent certified public accountant completing an audit to state whether or not the entity's financial report agrees with the audited financial statements, rather than the audit report.
- Revises the audit membership requirements for an audit committee of a municipality, special district, district school board, charter school, or charter technical career center to require one of the members to be a member of the governing body of the municipality, special district, district school board, charter school, or charter technical career center. It also provides that the chair of the audit committee must be a member of such governing body.
- Deletes a provision that limited an audit contract to two years.
- Requires an audit submitted pursuant to s. 218.39, F.S., to include an affidavit that the auditor was selected in accordance with s. 218.391(3)-(6), F.S., which provides a competitive procurement process.
- Changes the effective date to October 1, 2015, rather than July 1, 2015.

This analysis is drafted to the committee substitute as approved by the Government Operations Subcommittee.

1 A bill to be entitled
 2 An act relating to government accountability; amending
 3 s. 11.40, F.S.; specifying that the Governor, the
 4 Commissioner of Education, or the designee of the
 5 Governor or of the Commissioner of Education may
 6 notify the Legislative Auditing Committee of an
 7 entity's failure to comply with certain auditing and
 8 financial reporting requirements; amending s. 11.45,
 9 F.S.; revising and providing definitions; excluding
 10 water management districts from certain audit
 11 requirements; revising reporting requirements
 12 applicable to the Auditor General; amending s. 28.35,
 13 F.S.; revising reporting requirements applicable to
 14 the Florida Clerks of Court Operations Corporation;
 15 amending s. 43.16, F.S.; revising the responsibilities
 16 of the Justice Administrative Commission, each state
 17 attorney, each public defender, a criminal conflict
 18 and civil regional counsel, a capital collateral
 19 counsel, and the Guardian Ad Litem Program, to include
 20 the establishment and maintenance of certain internal
 21 controls; amending s. 112.31455, F.S.; authorizing the
 22 Chief Financial Officer or a governing body to
 23 withhold a specified percentage of a fine owed and
 24 related administrative costs from public salary-
 25 related payments of certain individuals; authorizing
 26 the Chief Financial Officer or a governing body to

27 | reduce the amount withheld if certain individuals
 28 | demonstrate a hardship; transferring a provision
 29 | relating to the garnishment of wages of specified
 30 | individuals; creating s. 112.31456, F.S.; authorizing
 31 | the Commission on Ethics to seek wage garnishment of
 32 | certain individuals to satisfy unpaid fines;
 33 | authorizing the commission to refer unpaid fines to a
 34 | collection agency; establishing a statute of
 35 | limitations with respect to the collection of an
 36 | unpaid fine; amending s. 112.3261, F.S.; revising
 37 | definitions to conform to changes made by the act;
 38 | expanding the types of governmental entities that are
 39 | subject to lobbyist registration requirements;
 40 | requiring such entities to create lobbyist
 41 | registration forms; amending ss. 129.03, 129.06,
 42 | 166.241, and 189.016, F.S.; requiring counties,
 43 | municipalities, and special districts to maintain
 44 | certain budget documents on the entities' websites for
 45 | a specified period; amending s. 215.425, F.S.;

46 | requiring a unit of government to investigate and take
 47 | necessary action to recover prohibited compensation;
 48 | specifying methods of recovery and liability for
 49 | unintentional and willful violations; providing a
 50 | penalty; authorizing the Governor to suspend officers
 51 | under specified circumstances; establishing
 52 | eligibility criteria and amounts for rewards;

53 specifying circumstances under which an employee has a
 54 cause of action under the Whistle-blower's Act;
 55 establishing causes of action if a unit of government
 56 fails to recover prohibited compensation within a
 57 certain timeframe; amending s. 215.86, F.S.; revising
 58 management systems and controls to be employed by each
 59 state agency and the judicial branch; amending s.
 60 215.97, F.S.; revising the definition of the term
 61 "audit threshold"; amending s. 215.985, F.S.; revising
 62 the requirements for a monthly financial statement
 63 provided by a water management district; amending s.
 64 218.32, F.S.; revising the requirements of the annual
 65 financial audit report of a local governmental entity;
 66 authorizing the Department of Financial Services to
 67 request additional information from a local
 68 governmental entity; requiring a local governmental
 69 entity to respond to such requests within a specified
 70 timeframe; requiring the department to notify the
 71 Legislative Auditing Committee of noncompliance;
 72 amending s. 218.33, F.S.; requiring local government
 73 entities to establish and maintain internal controls;
 74 amending s. 218.39, F.S.; requiring an audited entity
 75 to respond to audit recommendations under specified
 76 circumstances; amending s. 218.391, F.S.; revising the
 77 composition of audit committees; requiring audit
 78 reports to contain an affidavit of compliance;

79 providing procedures for reselection of an auditor
 80 under certain circumstances; amending s. 288.92, F.S.;
 81 prohibiting specified officers and board members of
 82 Enterprise Florida, Inc., from representing a person
 83 or entity for compensation before Enterprise Florida,
 84 Inc., for a specified timeframe; amending s. 288.9604,
 85 F.S.; prohibiting a director of the board of directors
 86 of the Florida Development Finance Corporation from
 87 representing a person or entity for compensation
 88 before the corporation for a specified timeframe;
 89 amending s. 373.536, F.S.; deleting obsolete language;
 90 requiring water management districts to maintain
 91 certain budget documents on the districts' websites
 92 for a specified period; amending s. 1002.33, F.S.;
 93 revising the responsibilities of the governing board
 94 of a charter school to include the establishment and
 95 maintenance of internal controls; amending s. 1002.37,
 96 F.S.; requiring completion of an annual financial
 97 audit of the Florida Virtual School; specifying audit
 98 requirements; requiring an audit report to be
 99 submitted to the board of trustees of the Florida
 100 Virtual School and the Auditor General; requiring the
 101 board of trustees to submit specified reports to the
 102 Governor, Legislature, Commissioner of Education, and
 103 State Board of Education; removing an obsolete
 104 provision; amending s. 1010.01, F.S.; requiring each

105 school district, Florida College System institution,
 106 and state university to establish and maintain certain
 107 internal controls; amending s. 1010.30, F.S.;
 108 requiring a district school board, Florida College
 109 System board of trustees, or university board of
 110 trustees to respond to audit recommendations under
 111 certain circumstances; amending ss. 68.082, 68.083,
 112 218.503, and 1002.455, F.S.; conforming provisions and
 113 cross-references to changes made by the act; declaring
 114 that the act fulfills an important state interest;
 115 providing an effective date.

116

117 Be It Enacted by the Legislature of the State of Florida:

118

119 Section 1. Subsection (2) of section 11.40, Florida
 120 Statutes, is amended to read:

121 11.40 Legislative Auditing Committee.—

122 (2) Following notification by the Auditor General, the
 123 Department of Financial Services, ~~or~~ the Division of Bond
 124 Finance of the State Board of Administration, the Governor or
 125 his or her designee, or the Commissioner of Education or his or
 126 her designee of the failure of a local governmental entity,
 127 district school board, charter school, or charter technical
 128 career center to comply with the applicable provisions within s.
 129 11.45(5)-(7), s. 218.32(1), s. 218.38, or s. 218.503(3), the
 130 Legislative Auditing Committee may schedule a hearing to

131 determine if the entity should be subject to further state
 132 action. If the committee determines that the entity should be
 133 subject to further state action, the committee shall:

134 (a) In the case of a local governmental entity or district
 135 school board, direct the Department of Revenue and the
 136 Department of Financial Services to withhold any funds not
 137 pledged for bond debt service satisfaction which are payable to
 138 such entity until the entity complies with the law. The
 139 committee shall specify the date such action shall begin, and
 140 the directive must be received by the Department of Revenue and
 141 the Department of Financial Services 30 days before the date of
 142 the distribution mandated by law. The Department of Revenue and
 143 the Department of Financial Services may implement the
 144 provisions of this paragraph.

145 (b) In the case of a special district created by:

146 1. A special act, notify the President of the Senate, the
 147 Speaker of the House of Representatives, the standing committees
 148 of the Senate and the House of Representatives charged with
 149 special district oversight as determined by the presiding
 150 officers of each respective chamber, the legislators who
 151 represent a portion of the geographical jurisdiction of the
 152 special district pursuant to s. 189.034(2), and the Department
 153 of Economic Opportunity that the special district has failed to
 154 comply with the law. Upon receipt of notification, the
 155 Department of Economic Opportunity shall proceed pursuant to s.
 156 189.062 or s. 189.067. If the special district remains in

157 noncompliance after the process set forth in s. 189.034(3), or
 158 if a public hearing is not held, the Legislative Auditing
 159 Committee may request the department to proceed pursuant to s.
 160 189.067(3).

161 2. A local ordinance, notify the chair or equivalent of
 162 the local general-purpose government pursuant to s. 189.035(2)
 163 and the Department of Economic Opportunity that the special
 164 district has failed to comply with the law. Upon receipt of
 165 notification, the department shall proceed pursuant to s.
 166 189.062 or s. 189.067. If the special district remains in
 167 noncompliance after the process set forth in s. 189.034(3), or
 168 if a public hearing is not held, the Legislative Auditing
 169 Committee may request the department to proceed pursuant to s.
 170 189.067(3).

171 3. Any manner other than a special act or local ordinance,
 172 notify the Department of Economic Opportunity that the special
 173 district has failed to comply with the law. Upon receipt of
 174 notification, the department shall proceed pursuant to s.
 175 189.062 or s. 189.067(3).

176 (c) In the case of a charter school or charter technical
 177 career center, notify the appropriate sponsoring entity, which
 178 may terminate the charter pursuant to ss. 1002.33 and 1002.34.

179 Section 2. Subsection (1), paragraph (j) of subsection
 180 (2), paragraph (v) of subsection (3), and paragraph (i) of
 181 subsection (7) of section 11.45, Florida Statutes, are amended
 182 to read:

183 11.45 Definitions; duties; authorities; reports; rules.—

184 (1) DEFINITIONS.—As used in ss. 11.40-11.51, the term:

185 (a) "Abuse" means behavior that is deficient or improper
 186 when compared with behavior that a prudent person would consider
 187 reasonable and necessary operational practice given the facts
 188 and circumstances. The term includes the misuse of authority or
 189 position for personal gain or for the benefit of another.

190 (b)(a) "Audit" means a financial audit, operational audit,
 191 or performance audit.

192 (c)(b) "County agency" means a board of county
 193 commissioners or other legislative and governing body of a
 194 county, however styled, including that of a consolidated or
 195 metropolitan government, a clerk of the circuit court, a
 196 separate or ex officio clerk of the county court, a sheriff, a
 197 property appraiser, a tax collector, a supervisor of elections,
 198 or any other officer in whom any portion of the fiscal duties of
 199 the above are under law separately placed.

200 (d)(e) "Financial audit" means an examination of financial
 201 statements in order to express an opinion on the fairness with
 202 which they are presented in conformity with generally accepted
 203 accounting principles and an examination to determine whether
 204 operations are properly conducted in accordance with legal and
 205 regulatory requirements. Financial audits must be conducted in
 206 accordance with auditing standards generally accepted in the
 207 United States and government auditing standards as adopted by
 208 the Board of Accountancy. When applicable, the scope of

209 financial audits shall encompass the additional activities
 210 necessary to establish compliance with the Single Audit Act
 211 Amendments of 1996, 31 U.S.C. ss. 7501-7507, and other
 212 applicable federal law.

213 (e) "Fraud" means obtaining something of value through
 214 willful misrepresentation, including, but not limited to, the
 215 intentional misstatements or omissions of amounts or disclosures
 216 in financial statements to deceive users of financial
 217 statements, theft of an entity's assets, bribery, or the use of
 218 one's position for personal enrichment through the deliberate
 219 misuse or misapplication of an organization's resources.

220 (f)(d) "Governmental entity" means a state agency, a
 221 county agency, or any other entity, however styled, that
 222 independently exercises any type of state or local governmental
 223 function.

224 (g)(e) "Local governmental entity" means a county agency,
 225 municipality, tourist development council, county tourism
 226 promotion agency, or special district as defined in s. 189.012.
 227 The term, but does not include any housing authority established
 228 under chapter 421.

229 (h)(f) "Management letter" means a statement of the
 230 auditor's comments and recommendations.

231 (i)(g) "Operational audit" means an audit whose purpose is
 232 to evaluate management's performance in establishing and
 233 maintaining internal controls, including controls designed to
 234 prevent and detect fraud, waste, and abuse, and in administering

235 assigned responsibilities in accordance with applicable laws,
 236 administrative rules, contracts, grant agreements, and other
 237 guidelines. Operational audits must be conducted in accordance
 238 with government auditing standards. Such audits examine internal
 239 controls that are designed and placed in operation to promote
 240 and encourage the achievement of management's control objectives
 241 in the categories of compliance, economic and efficient
 242 operations, reliability of financial records and reports, and
 243 safeguarding of assets, and identify weaknesses in those
 244 internal controls.

245 (j)~~(h)~~ "Performance audit" means an examination of a
 246 program, activity, or function of a governmental entity,
 247 conducted in accordance with applicable government auditing
 248 standards or auditing and evaluation standards of other
 249 appropriate authoritative bodies. The term includes an
 250 examination of issues related to:

- 251 1. Economy, efficiency, or effectiveness of the program.
- 252 2. Structure or design of the program to accomplish its
 253 goals and objectives.
- 254 3. Adequacy of the program to meet the needs identified by
 255 the Legislature or governing body.
- 256 4. Alternative methods of providing program services or
 257 products.
- 258 5. Goals, objectives, and performance measures used by the
 259 agency to monitor and report program accomplishments.
- 260 6. The accuracy or adequacy of public documents, reports,

261 or requests prepared under the program by state agencies.

262 7. Compliance of the program with appropriate policies,
263 rules, or laws.

264 8. Any other issues related to governmental entities as
265 directed by the Legislative Auditing Committee.

266 (k)~~(i)~~ "Political subdivision" means a separate agency or
267 unit of local government created or established by law and
268 includes, but is not limited to, the following and the officers
269 thereof: authority, board, branch, bureau, city, commission,
270 consolidated government, county, department, district,
271 institution, metropolitan government, municipality, office,
272 officer, public corporation, town, or village.

273 (l)~~(j)~~ "State agency" means a separate agency or unit of
274 state government created or established by law and includes, but
275 is not limited to, the following and the officers thereof:
276 authority, board, branch, bureau, commission, department,
277 division, institution, office, officer, or public corporation,
278 as the case may be, except any such agency or unit within the
279 legislative branch of state government other than the Florida
280 Public Service Commission.

281 (m) "Waste" means the act of using or expending resources
282 unreasonably, carelessly, extravagantly, or for no useful
283 purpose.

284 (2) DUTIES.—The Auditor General shall:

285 (j) Conduct audits of local governmental entities when
286 determined to be necessary by the Auditor General, when directed

287 | by the Legislative Auditing Committee, or when otherwise
 288 | required by law. No later than 18 months after the release of
 289 | the audit report, the Auditor General shall perform such
 290 | appropriate followup procedures as he or she deems necessary to
 291 | determine the audited entity's progress in addressing the
 292 | findings and recommendations contained within the Auditor
 293 | General's previous report. The Auditor General shall notify each
 294 | member of the audited entity's governing body and the
 295 | Legislative Auditing Committee of the results of his or her
 296 | determination. For purposes of this paragraph, local
 297 | governmental entities do not include water management districts.
 298 |

299 | The Auditor General shall perform his or her duties
 300 | independently but under the general policies established by the
 301 | Legislative Auditing Committee. This subsection does not limit
 302 | the Auditor General's discretionary authority to conduct other
 303 | audits or engagements of governmental entities as authorized in
 304 | subsection (3).

305 | (3) AUTHORITY FOR AUDITS AND OTHER ENGAGEMENTS.—The
 306 | Auditor General may, pursuant to his or her own authority, or at
 307 | the direction of the Legislative Auditing Committee, conduct
 308 | audits or other engagements as determined appropriate by the
 309 | Auditor General of:

310 | (v) The Florida Virtual School ~~pursuant to s. 1002.37.~~

311 | (7) AUDITOR GENERAL REPORTING REQUIREMENTS.—

312 | (i) The Auditor General shall annually transmit by July

313 15, to the President of the Senate, the Speaker of the House of
 314 Representatives, and the Department of Financial Services, a
 315 list of all school districts, charter schools, charter technical
 316 career centers, Florida College System institutions, state
 317 universities, and local governmental entities ~~water management~~
 318 ~~districts~~ that have failed to comply with the transparency
 319 requirements as identified in the audit reports reviewed
 320 pursuant to paragraph (b) and those conducted pursuant to
 321 subsection (2).

322 Section 3. Paragraph (d) of subsection (2) of section
 323 28.35, Florida Statutes, is amended to read:

324 28.35 Florida Clerks of Court Operations Corporation.—

325 (2) The duties of the corporation shall include the
 326 following:

327 (d) Developing and certifying a uniform system of workload
 328 measures and applicable workload standards for court-related
 329 functions as developed by the corporation and clerk workload
 330 performance in meeting the workload performance standards. These
 331 workload measures and workload performance standards shall be
 332 designed to facilitate an objective determination of the
 333 performance of each clerk in accordance with minimum standards
 334 for fiscal management, operational efficiency, and effective
 335 collection of fines, fees, service charges, and court costs. The
 336 corporation shall develop the workload measures and workload
 337 performance standards in consultation with the Legislature. When
 338 the corporation finds a clerk has not met the workload

339 performance standards, the corporation shall identify the nature
 340 of each deficiency and any corrective action recommended and
 341 taken by the affected clerk of the court. For quarterly periods
 342 ending on the last day of March, June, September, and December
 343 of each year, the corporation shall notify the Legislature of
 344 any clerk not meeting workload performance standards and provide
 345 a copy of any corrective action plans. Such notifications shall
 346 be submitted no later than 45 days after the end of the
 347 preceding quarterly period. As used in this subsection, the
 348 term:

349 1. "Workload measures" means the measurement of the
 350 activities and frequency of the work required for the clerk to
 351 adequately perform the court-related duties of the office as
 352 defined by the membership of the Florida Clerks of Court
 353 Operations Corporation.

354 2. "Workload performance standards" means the standards
 355 developed to measure the timeliness and effectiveness of the
 356 activities that are accomplished by the clerk in the performance
 357 of the court-related duties of the office as defined by the
 358 membership of the Florida Clerks of Court Operations
 359 Corporation.

360 Section 4. Present subsections (6) and (7) of section
 361 43.16, Florida Statutes, are redesignated as subsections (7) and
 362 (8), respectively, and a new subsection (6) is added to that
 363 section, to read:

364 43.16 Justice Administrative Commission; membership,

365 powers and duties.-

366 (6) The commission, each state attorney, each public
 367 defender, the criminal conflict and civil regional counsel, the
 368 capital collateral regional counsel, and the Guardian Ad Litem
 369 Program shall establish and maintain internal controls designed
 370 to:

- 371 (a) Prevent and detect fraud, waste, and abuse.
- 372 (b) Promote and encourage compliance with applicable laws,
 373 rules, contracts, grant agreements, and best practices.
- 374 (c) Support economic and efficient operations.
- 375 (d) Ensure reliability of financial records and reports.
- 376 (e) Safeguard assets.

377 Section 5. Section 112.31455, Florida Statutes, is amended
 378 to read:

379 112.31455 Withholding of public salary-related payments
 380 ~~Collection methods~~ for unpaid automatic fines for failure to
 381 timely file disclosure of financial interests.-

382 (1) Before referring any unpaid fine accrued pursuant to
 383 s. 112.3144(5) or s. 112.3145(7) ~~s. 112.3145(6)~~ to the
 384 Department of Financial Services, the commission shall attempt
 385 to determine whether the individual owing such a fine is a
 386 current public officer or current public employee. If so, the
 387 commission may notify the Chief Financial Officer or the
 388 governing body of the appropriate county, municipality, or
 389 special district of the total amount of any fine owed to the
 390 commission by such individual.

391 (a) After receipt and verification of the notice from the
 392 commission, the Chief Financial Officer or the governing body of
 393 the county, municipality, or special district shall withhold 25
 394 percent of the entire amount of any fine owed, and any
 395 administrative costs incurred, from the individual's next public
 396 salary-related payment. The same percentage of each successive
 397 public salary-related payment shall be withheld until the fine
 398 and administrative costs are paid in full ~~begin withholding the~~
 399 ~~lesser of 10 percent or the maximum amount allowed under federal~~
 400 ~~law from any salary-related payment.~~ The Chief Financial Officer
 401 or the governing body of the county, municipality, or special
 402 district may retain an amount of each withheld payment, as
 403 provided in s. 77.0305, to cover the administrative costs
 404 incurred under this section. The withheld payments shall be
 405 remitted to the commission until the fine is satisfied.

406 ~~(b) The Chief Financial Officer or the governing body of~~
 407 ~~the county, municipality, or special district may retain an~~
 408 ~~amount of each withheld payment, as provided in s. 77.0305, to~~
 409 ~~cover the administrative costs incurred under this section.~~

410 (b) If a current public officer or current public employee
 411 demonstrates to the Chief Financial Officer or the governing
 412 body responsible for paying him or her that the public salary is
 413 his or her primary source of income and that withholding 25
 414 percent of the amount of any fine owed from a public salary-
 415 related payment would present an undue hardship, the withheld
 416 amount may be reduced but must be at least 10 percent of the

417 public salary-related payment.

418 ~~(2) If the commission determines that the individual who~~
 419 ~~is the subject of an unpaid fine accrued pursuant to s.~~
 420 ~~112.3144(5) or s. 112.3145(6) is no longer a public officer or~~
 421 ~~public employee or if the commission is unable to determine~~
 422 ~~whether the individual is a current public officer or public~~
 423 ~~employee, the commission may, 6 months after the order becomes~~
 424 ~~final, seek garnishment of any wages to satisfy the amount of~~
 425 ~~the fine, or any unpaid portion thereof, pursuant to chapter 77.~~
 426 ~~Upon recording the order imposing the fine with the clerk of the~~
 427 ~~circuit court, the order shall be deemed a judgment for purposes~~
 428 ~~of garnishment pursuant to chapter 77.~~

429 ~~(2)(3)~~ The commission may refer unpaid fines to the
 430 appropriate collection agency, as directed by the Chief
 431 Financial Officer, to use ~~utilize~~ any collection methods
 432 provided by law. Except as expressly limited by this section,
 433 any other collection methods authorized by law are allowed.

434 ~~(3)(4)~~ Action may be taken to collect any unpaid fine
 435 imposed by ss. 112.3144 and 112.3145 within 20 years after the
 436 date the final order is rendered.

437 Section 6. Section 112.31456, Florida Statutes, is created
 438 to read:

439 112.31456 Garnishment of wages for unpaid automatic fines
 440 for failure to timely file disclosure of financial interests.-

441 (1) Before referring any unpaid fine accrued pursuant to
 442 s. 112.3144(5) or s. 112.3145(7) to the Department of Financial

443 Services, the commission shall attempt to determine whether the
 444 individual owing such a fine is a current public officer or
 445 current public employee. If the commission determines that an
 446 individual who is the subject of an unpaid fine accrued pursuant
 447 to s. 112.3144(5) or s. 112.3145(7) is no longer a public
 448 officer or public employee or if the commission cannot determine
 449 whether the individual is a current public officer or current
 450 public employee, the commission may, 6 months after the order
 451 becomes final, seek garnishment of any wages to satisfy the
 452 amount of the fine, or any unpaid portion thereof, pursuant to
 453 chapter 77. Upon recording the order imposing the fine with the
 454 clerk of the circuit court, the order shall be deemed a judgment
 455 for purposes of garnishment pursuant to chapter 77.

456 (2) The commission may refer unpaid fines to the
 457 appropriate collection agency, as directed by the Chief
 458 Financial Officer, to use any collection methods provided by
 459 law. Except as expressly limited by this section, any other
 460 collection method authorized by law is allowed.

461 (3) Action may be taken to collect any unpaid fine imposed
 462 by ss. 112.3144 and 112.3145 within 20 years after the date the
 463 final order is rendered.

464 Section 7. Section 112.3261, Florida Statutes, is amended
 465 to read:

466 112.3261 Lobbying before governmental entities ~~water~~
 467 ~~management districts~~; registration and reporting.-

468 (1) As used in this section, the term:

469 (a) "Governmental entity" or "entity" ~~"District"~~ means a
 470 water management district created in s. 373.069 and operating
 471 under the authority of chapter 373, a hospital district, a
 472 children's services district, an expressway authority as the
 473 term "authority" is defined in s. 348.0002, a port authority as
 474 the term is defined in s. 315.02, or an independent special
 475 district with annual revenues of more than \$5 million which
 476 exercises ad valorem taxing authority.

477 (b) "Lobbies" means seeking, on behalf of another person,
 478 to influence a governmental entity ~~district~~ with respect to a
 479 decision of the entity ~~district~~ in an area of policy or
 480 procurement or an attempt to obtain the goodwill of an a
 481 ~~district~~ official or employee of a governmental entity. The term
 482 "lobbies" shall be interpreted and applied consistently with the
 483 rules of the commission implementing s. 112.3215.

484 (c) "Lobbyist" has the same meaning as provided in s.
 485 112.3215.

486 (d) "Principal" has the same meaning as provided in s.
 487 112.3215.

488 (2) A person may not lobby a governmental entity ~~district~~
 489 until such person has registered as a lobbyist with that entity
 490 ~~district~~. Such registration shall be due upon initially being
 491 retained to lobby and is renewable on a calendar-year basis
 492 thereafter. Upon registration, the person shall provide a
 493 statement signed by the principal or principal's representative
 494 stating that the registrant is authorized to represent the

495 principal. The principal shall also identify and designate its
 496 main business on the statement authorizing that lobbyist
 497 pursuant to a classification system approved by the governmental
 498 entity ~~district~~. Any changes to the information required by this
 499 section must be disclosed within 15 days by filing a new
 500 registration form. The registration form shall require each
 501 lobbyist to disclose, under oath, the following:

502 (a) The lobbyist's name and business address.

503 (b) The name and business address of each principal
 504 represented.

505 (c) The existence of any direct or indirect business
 506 association, partnership, or financial relationship with an
 507 official ~~any officer~~ or employee of a governmental entity
 508 ~~district~~ with which he or she lobbies or intends to lobby.

509 ~~(d) In lieu of creating its own lobbyist registration~~
 510 ~~forms,~~

511
 512 A governmental entity shall create a lobbyist registration form
 513 modeled after the ~~district may accept a completed~~ legislative
 514 branch or executive branch lobbyist registration form which must
 515 be returned to the governmental entity.

516 (3) A governmental entity ~~district~~ shall make lobbyist
 517 registrations available to the public. If a governmental entity
 518 ~~district~~ maintains a website, a database of currently registered
 519 lobbyists and principals must be available on the entity's
 520 ~~district's~~ website.

521 (4) A lobbyist shall promptly send a written statement to
 522 the governmental entity ~~district~~ canceling the registration for
 523 a principal upon termination of the lobbyist's representation of
 524 that principal. A governmental entity ~~district~~ may remove the
 525 name of a lobbyist from the list of registered lobbyists if the
 526 principal notifies the entity ~~district~~ that a person is no
 527 longer authorized to represent that principal.

528 (5) A governmental entity ~~district~~ may establish an annual
 529 lobbyist registration fee, not to exceed \$40, for each principal
 530 represented. The governmental entity ~~district~~ may use
 531 registration fees only to administer this section.

532 (6) A governmental entity ~~district~~ shall be diligent to
 533 ascertain whether persons required to register pursuant to this
 534 section have complied. A governmental entity ~~district~~ may not
 535 knowingly authorize a person who is not registered pursuant to
 536 this section to lobby the entity ~~district~~.

537 (7) Upon receipt of a sworn complaint alleging that a
 538 lobbyist or principal has failed to register with a governmental
 539 entity ~~district~~ or has knowingly submitted false information in
 540 a report or registration required under this section, the
 541 commission shall investigate a lobbyist or principal pursuant to
 542 the procedures established under s. 112.324. The commission
 543 shall provide the Governor with a report of its findings and
 544 recommendations in any investigation conducted pursuant to this
 545 subsection. The Governor is authorized to enforce the
 546 commission's findings and recommendations.

547 (8) A governmental entity ~~Water management districts~~ may
 548 adopt rules to establish procedures to govern the registration
 549 of lobbyists, including the adoption of forms and the
 550 establishment of a lobbyist registration fee.

551 Section 8. Paragraph (c) of subsection (3) of section
 552 129.03, Florida Statutes, is amended to read:

553 129.03 Preparation and adoption of budget.—

554 (3) The county budget officer, after tentatively
 555 ascertaining the proposed fiscal policies of the board for the
 556 next fiscal year, shall prepare and present to the board a
 557 tentative budget for the next fiscal year for each of the funds
 558 provided in this chapter, including all estimated receipts,
 559 taxes to be levied, and balances expected to be brought forward
 560 and all estimated expenditures, reserves, and balances to be
 561 carried over at the end of the year.

562 (c) The board shall hold public hearings to adopt
 563 tentative and final budgets pursuant to s. 200.065. The hearings
 564 shall be primarily for the purpose of hearing requests and
 565 complaints from the public regarding the budgets and the
 566 proposed tax levies and for explaining the budget and any
 567 proposed or adopted amendments. The tentative budget must be
 568 posted on the county's official website at least 2 days before
 569 the public hearing to consider such budget and must remain on
 570 the website for at least 45 days. The final budget must be
 571 posted on the website within 30 days after adoption and must
 572 remain on the website for at least 2 years. The tentative

573 budgets, adopted tentative budgets, and final budgets shall be
 574 filed in the office of the county auditor as a public record.
 575 Sufficient reference in words and figures to identify the
 576 particular transactions shall be made in the minutes of the
 577 board to record its actions with reference to the budgets.

578 Section 9. Paragraph (f) of subsection (2) of section
 579 129.06, Florida Statutes, is amended to read:

580 129.06 Execution and amendment of budget.—

581 (2) The board at any time within a fiscal year may amend a
 582 budget for that year, and may within the first 60 days of a
 583 fiscal year amend the budget for the prior fiscal year, as
 584 follows:

585 (f) Unless otherwise prohibited by law, if an amendment to
 586 a budget is required for a purpose not specifically authorized
 587 in paragraphs (a)-(e), the amendment may be authorized by
 588 resolution or ordinance of the board of county commissioners
 589 adopted following a public hearing.

590 1. The public hearing must be advertised at least 2 days,
 591 but not more than 5 days, before the date of the hearing. The
 592 advertisement must appear in a newspaper of paid general
 593 circulation and must identify the name of the taxing authority,
 594 the date, place, and time of the hearing, and the purpose of the
 595 hearing. The advertisement must also identify each budgetary
 596 fund to be amended, the source of the funds, the use of the
 597 funds, and the total amount of each fund's appropriations.

598 2. If the board amends the budget pursuant to this

599 paragraph, the adopted amendment must be posted on the county's
 600 official website within 5 days after adoption and must remain on
 601 the website for at least 2 years.

602 Section 10. Subsections (3) and (5) of section 166.241,
 603 Florida Statutes, are amended to read:

604 166.241 Fiscal years, budgets, and budget amendments.—

605 (3) The tentative budget must be posted on the
 606 municipality's official website at least 2 days before the
 607 budget hearing, held pursuant to s. 200.065 or other law, to
 608 consider such budget, and must remain on the website for at
 609 least 45 days. The final adopted budget must be posted on the
 610 municipality's official website within 30 days after adoption
 611 and must remain on the website for at least 2 years. If the
 612 municipality does not operate an official website, the
 613 municipality must, within a reasonable period of time as
 614 established by the county or counties in which the municipality
 615 is located, transmit the tentative budget and final budget to
 616 the manager or administrator of such county or counties who
 617 shall post the budgets on the county's website.

618 (5) If the governing body of a municipality amends the
 619 budget pursuant to paragraph (4)(c), the adopted amendment must
 620 be posted on the official website of the municipality within 5
 621 days after adoption and must remain on the website for at least
 622 2 years. If the municipality does not operate an official
 623 website, the municipality must, within a reasonable period of
 624 time as established by the county or counties in which the

625 municipality is located, transmit the adopted amendment to the
 626 manager or administrator of such county or counties who shall
 627 post the adopted amendment on the county's website.

628 Section 11. Subsections (4) and (7) of section 189.016,
 629 Florida Statutes, are amended to read:

630 189.016 Reports; budgets; audits.-

631 (4) The tentative budget must be posted on the special
 632 district's official website at least 2 days before the budget
 633 hearing, held pursuant to s. 200.065 or other law, to consider
 634 such budget, and must remain on the website for at least 45
 635 days. The final adopted budget must be posted on the special
 636 district's official website within 30 days after adoption and
 637 must remain on the website for at least 2 years. If the special
 638 district does not operate an official website, the special
 639 district must, within a reasonable period of time as established
 640 by the local general-purpose government or governments in which
 641 the special district is located or the local governing authority
 642 to which the district is dependent, transmit the tentative
 643 budget or final budget to the manager or administrator of the
 644 local general-purpose government or the local governing
 645 authority. The manager or administrator shall post the tentative
 646 budget or final budget on the website of the local general-
 647 purpose government or governing authority. This subsection and
 648 subsection (3) do not apply to water management districts as
 649 defined in s. 373.019.

650 (7) If the governing body of a special district amends the

651 budget pursuant to paragraph (6)(c), the adopted amendment must
 652 be posted on the official website of the special district within
 653 5 days after adoption and must remain on the website for at
 654 least 2 years. If the special district does not operate an
 655 official website, the special district must, within a reasonable
 656 period of time as established by the local general-purpose
 657 government or governments in which the special district is
 658 located or the local governing authority to which the district
 659 is dependent, transmit the adopted amendment to the manager or
 660 administrator of the local general-purpose government or
 661 governing authority. The manager or administrator shall post the
 662 adopted amendment on the website of the local general-purpose
 663 government or governing authority.

664 Section 12. Subsections (6) through (10) are added to
 665 section 215.425, Florida Statutes, to read:

666 215.425 Extra compensation claims prohibited; bonuses;
 667 severance pay.-

668 (6) Upon discovery or notification that a unit of
 669 government has provided prohibited compensation to any officer,
 670 agent, employee, or contractor in violation of this section,
 671 such unit of government shall investigate and take all necessary
 672 action to recover the prohibited compensation.

673 (a) If the violation was unintentional, the unit of
 674 government shall recover the prohibited compensation from the
 675 individual receiving the prohibited compensation through normal
 676 recovery methods for overpayments.

677 (b) If the violation was willful, the unit of government
 678 shall recover the prohibited compensation from either the
 679 individual receiving the prohibited compensation or the
 680 individual or individuals responsible for approving the
 681 prohibited compensation. Each individual determined to have
 682 willfully violated this section is jointly and severally liable
 683 for repayment of the prohibited compensation.

684 (7) A person who willfully violates this section commits a
 685 misdemeanor of the first degree, punishable as provided in s.
 686 775.082 or s. 775.083. The Governor may suspend an officer who
 687 willfully violates this section.

688 (8) (a) A person who reports a violation of this section is
 689 eligible for a reward of at least \$500, or the lesser of 10
 690 percent of the funds recovered or \$10,000 per incident of a
 691 prohibited compensation payment recovered by the unit of
 692 government, depending upon the extent to which the person
 693 substantially contributed to the discovery, notification, and
 694 recovery of such prohibited payment.

695 (b) In the event that the recovery of the prohibited
 696 compensation is based primarily on disclosures of specific
 697 information, other than information provided by such person,
 698 relating to allegations or transactions in a criminal, civil, or
 699 administrative hearing; a legislative, administrative, inspector
 700 general, or other government report; auditor general report,
 701 hearing, audit, or investigation; or from the news media, such
 702 person is not eligible for a reward, or for an award of a

703 portion of the proceeds or payment of attorney fees and costs
 704 pursuant to s. 68.085.

705 (c) If it is determined that the person who reported a
 706 violation of this section was involved in the authorization,
 707 approval, or receipt of the prohibited compensation or is
 708 convicted of criminal conduct arising from his or her role in
 709 the authorization, approval, or receipt of the prohibited
 710 compensation, such person is not eligible for a reward, or for
 711 an award of a portion of the proceeds or payment of attorney
 712 fees and costs pursuant to s. 68.085.

713 (9) An employee who is discharged, demoted, suspended,
 714 threatened, harassed, or in any manner discriminated against in
 715 the terms and conditions of employment by his or her employer
 716 because of lawful acts done by the employee on behalf of the
 717 employee or others in furtherance of an action under this
 718 section, including investigation for initiation of, testimony
 719 for, or assistance in an action filed or to be filed under this
 720 section, has a cause of action under s. 112.3187.

721 (10) If the unit of government fails to recover prohibited
 722 compensation for a willful violation of this section upon
 723 discovery and notification of such prohibited payment within 90
 724 days, a cause of action may be brought to:

725 (a) Recover state funds in accordance with ss. 68.082 and
 726 68.083.

727 (b) Recover other funds by the Department of Legal Affairs
 728 using the procedures set forth in ss. 68.082 and 68.083, except

729 that venue shall lie in the circuit court of the county in which
 730 the unit of government is located.

731 (c) Recover other funds by a person using the procedures
 732 set forth in ss. 68.082 and 68.083, except that venue shall lie
 733 in the circuit court of the county in which the unit of
 734 government is located.

735 Section 13. Section 215.86, Florida Statutes, is amended
 736 to read:

737 215.86 Management systems and controls.—Each state agency
 738 and the judicial branch as defined in s. 216.011 shall establish
 739 and maintain management systems and internal controls designed
 740 to:

- 741 (1) Prevent and detect fraud, waste, and abuse. ~~that~~
- 742 (2) Promote and encourage compliance with applicable laws,
 743 rules, contracts, grant agreements, and best practices.†
- 744 (3) Support economic and, efficient, and effective
 745 operations.†
- 746 (4) Ensure reliability of financial records and reports.†
- 747 (5) Safeguard and safeguarding of assets. Accounting
 748 systems and procedures shall be designed to fulfill the
 749 requirements of generally accepted accounting principles.

750 Section 14. Paragraph (a) of subsection (2) of section
 751 215.97, Florida Statutes, is amended to read:

752 215.97 Florida Single Audit Act.—

- 753 (2) Definitions; as used in this section, the term:
- 754 (a) "Audit threshold" means the threshold amount used to

755 determine when a state single audit or project-specific audit of
 756 a nonstate entity shall be conducted in accordance with this
 757 section. Each nonstate entity that expends a total amount of
 758 state financial assistance equal to or in excess of \$750,000
 759 ~~\$500,000~~ in any fiscal year of such nonstate entity shall be
 760 required to have a state single audit, or a project-specific
 761 audit, for such fiscal year in accordance with the requirements
 762 of this section. Periodically, ~~Every 2 years~~ the Auditor
 763 General, after consulting with the Executive Office of the
 764 Governor, the Department of Financial Services, and all state
 765 awarding agencies, shall review the threshold amount for
 766 requiring audits under this section and, if appropriate, may
 767 recommend to the Legislature a statutory change to revise the
 768 threshold amount in the annual report submitted pursuant to s.
 769 11.45(7)(h) may adjust such threshold amount consistent with the
 770 purposes of this section.

771 Section 15. Subsection (11) of section 215.985, Florida
 772 Statutes, is amended to read:

773 215.985 Transparency in government spending.—

774 (11) Each water management district shall provide a
 775 monthly financial statement in the form and manner prescribed by
 776 the Department of Financial Services to the district's its
 777 governing board and make such monthly financial statement
 778 available for public access on its website.

779 Section 16. Paragraph (d) of subsection (1) and subsection
 780 (2) of section 218.32, Florida Statutes, are amended to read:

781 218.32 Annual financial reports; local governmental
 782 entities.—
 783 (1)
 784 (d) Each local governmental entity that is required to
 785 provide for an audit under s. 218.39(1) must submit a copy of
 786 the audit report and annual financial report to the department
 787 within 45 days after the completion of the audit report but no
 788 later than 9 months after the end of the fiscal year. An
 789 independent certified public accountant completing an audit of a
 790 local governmental entity pursuant to s. 218.39 shall report, as
 791 part of the audit, whether or not the entity's annual financial
 792 report agrees with the audited financial statements. Such
 793 determination shall be made at the level of detail required for
 794 the annual financial report. If the annual financial report does
 795 not agree, the auditor shall specify the significant differences
 796 that exist between the annual financial report and the audited
 797 financial statements and explain such differences.
 798 (2) The department shall annually by December 1 file a
 799 verified report with the Governor, the Legislature, the Auditor
 800 General, and the Special District Accountability Program of the
 801 Department of Economic Opportunity showing the revenues, both
 802 locally derived and derived from intergovernmental transfers,
 803 and the expenditures of each local governmental entity, regional
 804 planning council, local government finance commission, and
 805 municipal power corporation that is required to submit an annual
 806 financial report. In preparing the verified report, the

807 department may request additional information from the local
 808 governmental entity. The information requested must be provided
 809 to the department within 45 days after the request. If the local
 810 governmental entity does not comply with the request, the
 811 department shall notify the Legislative Auditing Committee,
 812 which may take action pursuant to s. 11.40(2). The report must
 813 include, but is not limited to:

814 (a) The total revenues and expenditures of each local
 815 governmental entity that is a component unit included in the
 816 annual financial report of the reporting entity.

817 (b) The amount of outstanding long-term debt by each local
 818 governmental entity. For purposes of this paragraph, the term
 819 "long-term debt" means any agreement or series of agreements to
 820 pay money, which, at inception, contemplate terms of payment
 821 exceeding 1 year in duration.

822 Section 17. Present subsection (3) of section 218.33,
 823 Florida Statutes, is redesignated as subsection (4), and a new
 824 subsection (3) is added to that section, to read:

825 218.33 Local governmental entities; establishment of
 826 uniform fiscal years and accounting practices and procedures.—

827 (3) Each local governmental entity shall establish and
 828 maintain internal controls designed to:

829 (a) Prevent and detect fraud, waste, and abuse.

830 (b) Promote and encourage compliance with applicable laws,
 831 rules, contracts, grant agreements, and best practices.

832 (c) Support economic and efficient operations.

833 (d) Ensure reliability of financial records and reports.

834 (e) Safeguard assets.

835 Section 18. Present subsections (8) through (12) of
 836 section 218.39, Florida Statutes, are redesignated as
 837 subsections (9) through (13), respectively, and a new subsection
 838 (8) is added to that section, to read:

839 218.39 Annual financial audit reports.—

840 (8) If the audit report includes a recommendation that was
 841 previously included in the preceding financial audit report, the
 842 governing body of the audited entity, within 60 days after the
 843 delivery of the audit report to the governing body and during a
 844 regularly scheduled public meeting, shall indicate its intent
 845 regarding corrective action, the corrective action to be taken,
 846 and when the corrective action will occur. If the governing body
 847 does not intend to take corrective action, it shall explain why
 848 such action will not be taken at the regularly scheduled public
 849 meeting.

850 Section 19. Subsection (2) of section 218.391, Florida
 851 Statutes, is amended, and subsection (9) is added to that
 852 section, to read:

853 218.391 Auditor selection procedures.—

854 (2) The governing body of a ~~charter~~ county, municipality,
 855 special district, district school board, charter school, or
 856 charter technical career center shall establish an audit
 857 committee. For a county, the ~~Each noncharter county shall~~
 858 ~~establish an~~ audit committee ~~that~~, at a minimum, shall consist

859 of each of the county officers elected pursuant to the county
 860 charter or s. 1(d), Art. VIII of the State Constitution, or a
 861 designee, and one member of the board of county commissioners or
 862 its designee. For a municipality, special district, district
 863 school board, charter school, or charter technical career
 864 center, the audit committee shall consist of at least three
 865 members, one of whom must be a member of the governing body of
 866 the municipality, special district, district school board,
 867 charter school, or charter technical career center. The chair of
 868 the audit committee must also be a member of such governing
 869 body. For a county, municipality, special district, district
 870 school board, charter school, or charter technical career
 871 center, a member of the audit committee may not exercise
 872 financial management responsibilities for the county,
 873 municipality, special district, district school board, charter
 874 school, or charter technical career center. The primary purpose
 875 of the audit committee is to assist the governing body in
 876 selecting an auditor to conduct the annual financial audit
 877 required in s. 218.39; however, the audit committee may serve
 878 other audit oversight purposes as determined by the entity's
 879 governing body. The public ~~may~~ shall not be excluded from the
 880 proceedings under this section.

881 (9) Audit reports submitted pursuant to s. 218.39 must
 882 include an affidavit signed by the chair of the audit committee
 883 of the local governmental entity, district school board, charter
 884 school, or charter technical career center stating that the

885 local governmental entity, district school board, charter
 886 school, charter technical career center has complied with
 887 subsections (3)-(6) in selecting the auditor pursuant to this
 888 section. If a local governmental entity, district school board,
 889 charter school, or charter technical career center fails to
 890 comply with subsections (3)-(6) in selecting an auditor pursuant
 891 to this section, the local governmental entity, district school
 892 board, charter school, or charter technical career center shall
 893 reselect an auditor in accordance with this section for
 894 subsequent fiscal years' audits if the audit was performed under
 895 a multiyear contract. If the reselection of the auditor would
 896 preclude the local governmental entity, district school board,
 897 charter school, or charter technical career center from timely
 898 completion of the annual financial audit required by s. 218.39,
 899 the local governmental entity, district school board, charter
 900 school, or charter technical career center shall reselect an
 901 auditor in accordance with this section for the next annual
 902 financial audit required by s. 218.39.

903 Section 20. Paragraph (b) of subsection (2) of section
 904 288.92, Florida Statutes, is amended to read:

905 288.92 Divisions of Enterprise Florida, Inc.—

906 (2)

907 (b)1. The following officers and board members are subject
 908 to ss. 112.313(1)-(8), (10), (12), and (15); 112.3135; and
 909 112.3143(2):

910 a. Officers and members of the board of directors of the

911 divisions of Enterprise Florida, Inc.

912 b. Officers and members of the board of directors of
913 subsidiaries of Enterprise Florida, Inc.

914 c. Officers and members of the board of directors of
915 corporations created to carry out the missions of Enterprise
916 Florida, Inc.

917 d. Officers and members of the board of directors of
918 corporations with which a division is required by law to
919 contract to carry out its missions.

920 2. The officers and members of the board of directors
921 specified in subparagraph 1. may not represent another person or
922 entity for compensation before Enterprise Florida, Inc., for a
923 period of 2 years after retirement from or termination of
924 service to a division.

925 ~~3.2.~~ For purposes of applying ss. 112.313(1)-(8), (10),
926 (12), and (15); 112.3135; and 112.3143(2) to activities of the
927 officers and members of the board of directors specified in
928 subparagraph 1., those persons shall be considered public
929 officers or employees and the corporation shall be considered
930 their agency.

931 ~~4.3.~~ It is not a violation of s. 112.3143(2) or (4) for
932 the officers or members of the board of directors of the Florida
933 Tourism Industry Marketing Corporation to:

934 a. Vote on the 4-year marketing plan required under s.
935 288.923 or vote on any individual component of or amendment to
936 the plan.

937 b. Participate in the establishment or calculation of
 938 payments related to the private match requirements of s.
 939 288.904(3). The officer or member must file an annual disclosure
 940 describing the nature of his or her interests or the interests
 941 of his or her principals, including corporate parents and
 942 subsidiaries of his or her principal, in the private match
 943 requirements. This annual disclosure requirement satisfies the
 944 disclosure requirement of s. 112.3143(4). This disclosure must
 945 be placed either on the Florida Tourism Industry Marketing
 946 Corporation's website or included in the minutes of each meeting
 947 of the Florida Tourism Industry Marketing Corporation's board of
 948 directors at which the private match requirements are discussed
 949 or voted upon.

950 Section 21. Paragraph (a) of subsection (3) of section
 951 288.9604, Florida Statutes, is amended to read:

952 288.9604 Creation of the authority.—

953 (3)(a)1. A director may not receive compensation for his
 954 or her services, but is entitled to necessary expenses,
 955 including travel expenses, incurred in the discharge of his or
 956 her duties. Each director shall hold office until his or her
 957 successor has been appointed.

958 2. Directors are subject to ss. 112.313(1)-(8), (10),
 959 (12), and (15); 112.3135; and 112.3143(2). For purposes of
 960 applying ss. 112.313(1)-(8), (10), (12), and (15); 112.3135; and
 961 112.3143(2) to activities of directors, directors shall be
 962 considered public officers and the corporation shall be

963 considered their agency.

964 3. A director of the board of directors of the corporation
 965 may not represent another person or entity for compensation
 966 before the corporation for a period of 2 years following his or
 967 her service on the board of directors.

968 Section 22. Paragraph (e) of subsection (4), paragraph (d)
 969 of subsection (5), and paragraph (d) of subsection (6) of
 970 section 373.536, Florida Statutes, are amended to read:

971 373.536 District budget and hearing thereon.—

972 (4) BUDGET CONTROLS; FINANCIAL INFORMATION.—

973 (e) ~~By September 1, 2012,~~ Each district shall provide a
 974 monthly financial statement in the form and manner prescribed by
 975 the Department of Financial Services to the district's governing
 976 board and make such monthly financial statement available for
 977 public access on its website.

978 (5) TENTATIVE BUDGET CONTENTS AND SUBMISSION; REVIEW AND
 979 APPROVAL.—

980 (d) Each district shall, by August 1 of each year, submit
 981 for review a tentative budget and a description of any
 982 significant changes from the preliminary budget submitted to the
 983 Legislature pursuant to s. 373.535 to the Governor, the
 984 President of the Senate, the Speaker of the House of
 985 Representatives, the chairs of all legislative committees and
 986 subcommittees having substantive or fiscal jurisdiction over
 987 water management districts, as determined by the President of
 988 the Senate or the Speaker of the House of Representatives, as

989 applicable, the secretary of the department, and the governing
 990 body of each county in which the district has jurisdiction or
 991 derives any funds for the operations of the district. The
 992 tentative budget must be posted on the district's official
 993 website at least 2 days before budget hearings held pursuant to
 994 s. 200.065 or other law and must remain on the website for at
 995 least 45 days.

996 (6) FINAL BUDGET; ANNUAL AUDIT; CAPITAL IMPROVEMENTS PLAN;
 997 WATER RESOURCE DEVELOPMENT WORK PROGRAM.—

998 (d) The final adopted budget must be posted on the water
 999 management district's official website within 30 days after
 1000 adoption and must remain on the website for at least 2 years.

1001 Section 23. Paragraph (j) of subsection (9) of section
 1002 1002.33, Florida Statutes, is amended to read:

1003 1002.33 Charter schools.—

1004 (9) CHARTER SCHOOL REQUIREMENTS.—

1005 (j) The governing body of the charter school shall be
 1006 responsible for:

1007 1. Establishing and maintaining internal controls designed
 1008 to:

1009 a. Prevent and detect fraud, waste, and abuse.

1010 b. Promote and encourage compliance with applicable laws,
 1011 rules, contracts, grant agreements, and best practices.

1012 c. Support economic and efficient operations.

1013 d. Ensure reliability of financial records and reports.

1014 e. Safeguard assets.

1015 | ~~2.1.~~ Ensuring that the charter school has retained the
 1016 | services of a certified public accountant or auditor for the
 1017 | annual financial audit, pursuant to s. 1002.345(2), who shall
 1018 | submit the report to the governing body.

1019 | ~~3.2.~~ Reviewing and approving the audit report, including
 1020 | audit findings and recommendations for the financial recovery
 1021 | plan.

1022 | ~~4.a.3.a.~~ Performing the duties in s. 1002.345, including
 1023 | monitoring a corrective action plan.

1024 | b. Monitoring a financial recovery plan in order to ensure
 1025 | compliance.

1026 | ~~5.4.~~ Participating in governance training approved by the
 1027 | department which must include government in the sunshine,
 1028 | conflicts of interest, ethics, and financial responsibility.

1029 | Section 24. Present subsections (6) through (10) of
 1030 | section 1002.37, Florida Statutes, are redesignated as
 1031 | subsections (7) through (11), respectively, a new subsection (6)
 1032 | is added to that section, and present subsections (6) and (11)
 1033 | of that section are amended, to read:

1034 | 1002.37 The Florida Virtual School.—

1035 | (6) The Florida Virtual School shall have an annual
 1036 | financial audit of its accounts and records completed by an
 1037 | independent auditor who is a certified public accountant
 1038 | licensed under chapter 473. The independent auditor shall
 1039 | conduct the audit in accordance with rules adopted by the
 1040 | Auditor General pursuant to s. 11.45 and, upon completion of the

1041 audit, shall prepare an audit report in accordance with such
 1042 rules. The audit report shall include a written statement of the
 1043 board of trustees describing corrective action to be taken in
 1044 response to each of the independent auditor's recommendations
 1045 included in the audit report. The independent auditor shall
 1046 submit the audit report to the board of trustees and the Auditor
 1047 General no later than 9 months after the end of the preceding
 1048 fiscal year.

1049 (7)~~(6)~~ The board of trustees shall annually submit to the
 1050 Governor, the Legislature, the Commissioner of Education, and
 1051 the State Board of Education the audit report prepared pursuant
 1052 to subsection (6) and a complete and detailed report setting
 1053 forth:

1054 (a) The operations and accomplishments of the Florida
 1055 Virtual School within the state and those occurring outside the
 1056 state as Florida Virtual School Global.

1057 (b) The marketing and operational plan for the Florida
 1058 Virtual School and Florida Virtual School Global, including
 1059 recommendations regarding methods for improving the delivery of
 1060 education through the Internet and other distance learning
 1061 technology.

1062 (c) The assets and liabilities of the Florida Virtual
 1063 School and Florida Virtual School Global at the end of the
 1064 fiscal year.

1065 ~~(d) A copy of an annual financial audit of the accounts~~
 1066 ~~and records of the Florida Virtual School and Florida Virtual~~

1067 ~~School Global, conducted by an independent certified public~~
 1068 ~~accountant and performed in accordance with rules adopted by the~~
 1069 ~~Auditor General.~~

1070 (d)~~(e)~~ Recommendations regarding the unit cost of
 1071 providing services to students through the Florida Virtual
 1072 School and Florida Virtual School Global. In order to most
 1073 effectively develop public policy regarding any future funding
 1074 of the Florida Virtual School, it is imperative that the cost of
 1075 the program is accurately identified. The identified cost of the
 1076 program must be based on reliable data.

1077 (e)~~(f)~~ Recommendations regarding an accountability
 1078 mechanism to assess the effectiveness of the services provided
 1079 by the Florida Virtual School and Florida Virtual School Global.

1080 ~~(11) The Auditor General shall conduct an operational~~
 1081 ~~audit of the Florida Virtual School, including Florida Virtual~~
 1082 ~~School Global. The scope of the audit shall include, but not be~~
 1083 ~~limited to, the administration of responsibilities relating to~~
 1084 ~~personnel; procurement and contracting; revenue production;~~
 1085 ~~school funds, including internal funds; student enrollment~~
 1086 ~~records; franchise agreements; information technology~~
 1087 ~~utilization, assets, and security; performance measures and~~
 1088 ~~standards; and accountability. The final report on the audit~~
 1089 ~~shall be submitted to the President of the Senate and the~~
 1090 ~~Speaker of the House of Representatives no later than January~~
 1091 ~~31, 2014.~~

1092 Section 25. Subsection (5) is added to section 1010.01,

1093 Florida Statutes, to read:

1094 1010.01 Uniform records and accounts.-

1095 (5) Each school district, Florida College System

1096 institution, and state university shall establish and maintain

1097 internal controls designed to:

1098 (a) Prevent and detect fraud, waste, and abuse.

1099 (b) Promote and encourage compliance with applicable laws,

1100 rules, contracts, grant agreements, and best practices.

1101 (c) Support economic and efficient operations.

1102 (d) Ensure reliability of financial records and reports.

1103 (e) Safeguard assets.

1104 Section 26. Subsection (2) of section 1010.30, Florida

1105 Statutes, is amended to read:

1106 1010.30 Audits required.-

1107 (2) If a school district, Florida College System

1108 institution, or university audit report includes a

1109 recommendation that was previously included in the preceding

1110 financial audit report ~~an audit contains a significant finding,~~

1111 the district school board, the Florida College System

1112 institution board of trustees, or the university board of

1113 trustees, within 60 days after the delivery of the audit report

1114 to the school district, Florida College System institution, or

1115 university and ~~shall conduct an audit overview~~ during a

1116 regularly scheduled public meeting, shall indicate its intent

1117 regarding corrective action, the corrective action to be taken,

1118 and when the corrective action will occur. If the district

1119 | school board, Florida College System institution board of
 1120 | trustees, or university board of trustees does not intend to
 1121 | take corrective action, it shall explain why such action will
 1122 | not be taken at the regularly scheduled public meeting.

1123 | Section 27. Subsection (2) of section 68.082, Florida
 1124 | Statutes, is amended to read:

1125 | 68.082 False claims against the state; definitions;
 1126 | liability.-

1127 | (2) Any person who:

1128 | (a) Knowingly presents or causes to be presented a false
 1129 | or fraudulent claim for payment or approval;

1130 | (b) Knowingly authorizes, approves, or receives payment of
 1131 | prohibited compensation in violation of s. 215.425;

1132 | (c)~~(b)~~ Knowingly makes, uses, or causes to be made or used
 1133 | a false record or statement material to a false or fraudulent
 1134 | claim;

1135 | (d)~~(e)~~ Conspires to commit a violation of this subsection;

1136 | (e)~~(d)~~ Has possession, custody, or control of property or
 1137 | money used or to be used by the state and knowingly delivers or
 1138 | causes to be delivered less than all of that money or property;

1139 | (f)~~(e)~~ Is authorized to make or deliver a document
 1140 | certifying receipt of property used or to be used by the state
 1141 | and, intending to defraud the state, makes or delivers the
 1142 | receipt without knowing that the information on the receipt is
 1143 | true;

1144 | (g)~~(f)~~ Knowingly buys or receives, as a pledge of an

1145 obligation or a debt, public property from an officer or
 1146 employee of the state who may not sell or pledge the property;
 1147 or

1148 (h)~~(g)~~ Knowingly makes, uses, or causes to be made or used
 1149 a false record or statement material to an obligation to pay or
 1150 transmit money or property to the state, or knowingly conceals
 1151 or knowingly and improperly avoids or decreases an obligation to
 1152 pay or transmit money or property to the state

1153
 1154 is liable to the state for a civil penalty of not less than
 1155 \$5,500 and not more than \$11,000 and for treble the amount of
 1156 damages the state sustains because of the act of that person.

1157 Section 28. Subsection (1) of section 68.083, Florida
 1158 Statutes, is amended to read:

1159 68.083 Civil actions for false claims.—

1160 (1) The department may diligently investigate a violation
 1161 under s. 68.082. If the department finds that a person has
 1162 violated or is violating s. 68.082, the department may bring a
 1163 civil action under the Florida False Claims Act against the
 1164 person. The Department of Financial Services may bring a civil
 1165 action under this section if the action arises from an
 1166 investigation by that department and the Department of Legal
 1167 Affairs has not filed an action under this act. For a violation
 1168 of s. 68.082 regarding prohibited compensation paid from state
 1169 funds, the Department of Financial Services may bring a civil
 1170 action under this section if the action arises from an

1171 investigation by that department concerning a violation of s.
 1172 215.425 by the state and the Department of Legal Affairs has not
 1173 filed an action under this act.

1174 Section 29. Subsection (3) of section 218.503, Florida
 1175 Statutes, is amended to read:

1176 218.503 Determination of financial emergency.—

1177 (3) Upon notification that one or more of the conditions
 1178 in subsection (1) have occurred or will occur if action is not
 1179 taken to assist the local governmental entity or district school
 1180 board, the Governor or his or her designee shall contact the
 1181 local governmental entity or the Commissioner of Education or
 1182 his or her designee shall contact the district school board to
 1183 determine what actions have been taken by the local governmental
 1184 entity or the district school board to resolve or prevent the
 1185 condition. The information requested must be provided within 45
 1186 days after the date of the request. If the local governmental
 1187 entity or the district school board does not comply with the
 1188 request, the Governor or his or her designee or the Commissioner
 1189 of Education or his or her designee shall notify ~~the members of~~
 1190 the Legislative Auditing Committee, which ~~who~~ may take action
 1191 pursuant to s. 11.40(2) ~~s. 11.40~~. The Governor or the
 1192 Commissioner of Education, as appropriate, shall determine
 1193 whether the local governmental entity or the district school
 1194 board needs state assistance to resolve or prevent the
 1195 condition. If state assistance is needed, the local governmental
 1196 entity or district school board is considered to be in a state

1197 of financial emergency. The Governor or the Commissioner of
 1198 Education, as appropriate, has the authority to implement
 1199 measures as set forth in ss. 218.50-218.504 to assist the local
 1200 governmental entity or district school board in resolving the
 1201 financial emergency. Such measures may include, but are not
 1202 limited to:

1203 (a) Requiring approval of the local governmental entity's
 1204 budget by the Governor or approval of the district school
 1205 board's budget by the Commissioner of Education.

1206 (b) Authorizing a state loan to a local governmental
 1207 entity and providing for repayment of same.

1208 (c) Prohibiting a local governmental entity or district
 1209 school board from issuing bonds, notes, certificates of
 1210 indebtedness, or any other form of debt until such time as it is
 1211 no longer subject to this section.

1212 (d) Making such inspections and reviews of records,
 1213 information, reports, and assets of the local governmental
 1214 entity or district school board as are needed. The appropriate
 1215 local officials shall cooperate in such inspections and reviews.

1216 (e) Consulting with officials and auditors of the local
 1217 governmental entity or the district school board and the
 1218 appropriate state officials regarding any steps necessary to
 1219 bring the books of account, accounting systems, financial
 1220 procedures, and reports into compliance with state requirements.

1221 (f) Providing technical assistance to the local
 1222 governmental entity or the district school board.

1223 (g)1. Establishing a financial emergency board to oversee
 1224 the activities of the local governmental entity or the district
 1225 school board. If a financial emergency board is established for
 1226 a local governmental entity, the Governor shall appoint board
 1227 members and select a chair. If a financial emergency board is
 1228 established for a district school board, the State Board of
 1229 Education shall appoint board members and select a chair. The
 1230 financial emergency board shall adopt such rules as are
 1231 necessary for conducting board business. The board may:

1232 a. Make such reviews of records, reports, and assets of
 1233 the local governmental entity or the district school board as
 1234 are needed.

1235 b. Consult with officials and auditors of the local
 1236 governmental entity or the district school board and the
 1237 appropriate state officials regarding any steps necessary to
 1238 bring the books of account, accounting systems, financial
 1239 procedures, and reports of the local governmental entity or the
 1240 district school board into compliance with state requirements.

1241 c. Review the operations, management, efficiency,
 1242 productivity, and financing of functions and operations of the
 1243 local governmental entity or the district school board.

1244 d. Consult with other governmental entities for the
 1245 consolidation of all administrative direction and support
 1246 services, including, but not limited to, services for asset
 1247 sales, economic and community development, building inspections,
 1248 parks and recreation, facilities management, engineering and

1249 construction, insurance coverage, risk management, planning and
 1250 zoning, information systems, fleet management, and purchasing.

1251 2. The recommendations and reports made by the financial
 1252 emergency board must be submitted to the Governor for local
 1253 governmental entities or to the Commissioner of Education and
 1254 the State Board of Education for district school boards for
 1255 appropriate action.

1256 (h) Requiring and approving a plan, to be prepared by
 1257 officials of the local governmental entity or the district
 1258 school board in consultation with the appropriate state
 1259 officials, prescribing actions that will cause the local
 1260 governmental entity or district school board to no longer be
 1261 subject to this section. The plan must include, but need not be
 1262 limited to:

1263 1. Provision for payment in full of obligations outlined
 1264 in subsection (1), designated as priority items, which are
 1265 currently due or will come due.

1266 2. Establishment of priority budgeting or zero-based
 1267 budgeting in order to eliminate items that are not affordable.

1268 3. The prohibition of a level of operations which can be
 1269 sustained only with nonrecurring revenues.

1270 4. Provisions implementing the consolidation, sourcing, or
 1271 discontinuance of all administrative direction and support
 1272 services, including, but not limited to, services for asset
 1273 sales, economic and community development, building inspections,
 1274 parks and recreation, facilities management, engineering and

1275 construction, insurance coverage, risk management, planning and
 1276 zoning, information systems, fleet management, and purchasing.

1277 Section 30. Paragraph (c) of subsection (2) of section
 1278 1002.455, Florida Statutes, is amended to read:

1279 1002.455 Student eligibility for K-12 virtual
 1280 instruction.—

1281 (2) A student is eligible to participate in virtual
 1282 instruction if:

1283 (c) The student was enrolled during the prior school year
 1284 in a virtual instruction program under s. 1002.45 or a full-time
 1285 Florida Virtual School program under s. 1002.37(9)(a)
 1286 ~~1002.37(8)(a)~~;

1287 Section 31. The Legislature finds that a proper and
 1288 legitimate state purpose is served when internal controls are
 1289 established to prevent and detect fraud, waste, and abuse and to
 1290 safeguard and account for government funds and property.
 1291 Therefore, the Legislature determines and declares that this act
 1292 fulfills an important state interest.

1293 Section 32. This act shall take effect October 1, 2015.

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. CS/HB 1063 (2015)

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED _____ (Y/N)
ADOPTED AS AMENDED _____ (Y/N)
ADOPTED W/O OBJECTION _____ (Y/N)
FAILED TO ADOPT _____ (Y/N)
WITHDRAWN _____ (Y/N)
OTHER

1 Committee/Subcommittee hearing bill: Appropriations Committee
2 Representative Metz offered the following:

3
4 **Amendment (with title amendment)**

5 Remove everything after the enacting clause and insert:

6 Section 1. Subsection (2) of section 11.40, Florida

7 Statutes, is amended to read:

8 11.40 Legislative Auditing Committee.—

9 (2) Following notification by the Auditor General, the
10 Department of Financial Services, ~~or~~ the Division of Bond
11 Finance of the State Board of Administration, the Governor or
12 his or her designee, or the Commissioner of Education or his or
13 her designee of the failure of a local governmental entity,
14 district school board, charter school, or charter technical
15 career center to comply with the applicable provisions within s.
16 11.45(5)-(7), s. 218.32(1), s. 218.38, or s. 218.503(3), the
17 Legislative Auditing Committee may schedule a hearing to

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18 determine if the entity should be subject to further state
19 action. If the committee determines that the entity should be
20 subject to further state action, the committee shall:

21 (a) In the case of a local governmental entity or district
22 school board, direct the Department of Revenue and the
23 Department of Financial Services to withhold any funds not
24 pledged for bond debt service satisfaction which are payable to
25 such entity until the entity complies with the law. The
26 committee shall specify the date such action shall begin, and
27 the directive must be received by the Department of Revenue and
28 the Department of Financial Services 30 days before the date of
29 the distribution mandated by law. The Department of Revenue and
30 the Department of Financial Services may implement the
31 provisions of this paragraph.

32 (b) In the case of a special district created by:

33 1. A special act, notify the President of the Senate, the
34 Speaker of the House of Representatives, the standing committees
35 of the Senate and the House of Representatives charged with
36 special district oversight as determined by the presiding
37 officers of each respective chamber, the legislators who
38 represent a portion of the geographical jurisdiction of the
39 special district pursuant to s. 189.034(2), and the Department
40 of Economic Opportunity that the special district has failed to
41 comply with the law. Upon receipt of notification, the
42 Department of Economic Opportunity shall proceed pursuant to s.
43 189.062 or s. 189.067. If the special district remains in

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44 noncompliance after the process set forth in s. 189.034(3), or
45 if a public hearing is not held, the Legislative Auditing
46 Committee may request the department to proceed pursuant to s.
47 189.067(3).

48 2. A local ordinance, notify the chair or equivalent of
49 the local general-purpose government pursuant to s. 189.035(2)
50 and the Department of Economic Opportunity that the special
51 district has failed to comply with the law. Upon receipt of
52 notification, the department shall proceed pursuant to s.
53 189.062 or s. 189.067. If the special district remains in
54 noncompliance after the process set forth in s. 189.034(3), or
55 if a public hearing is not held, the Legislative Auditing
56 Committee may request the department to proceed pursuant to s.
57 189.067(3).

58 3. Any manner other than a special act or local ordinance,
59 notify the Department of Economic Opportunity that the special
60 district has failed to comply with the law. Upon receipt of
61 notification, the department shall proceed pursuant to s.
62 189.062 or s. 189.067(3).

63 (c) In the case of a charter school or charter technical
64 career center, notify the appropriate sponsoring entity, which
65 may terminate the charter pursuant to ss. 1002.33 and 1002.34.

66 Section 2. Subsection (1), paragraph (j) of subsection
67 (2), paragraph (v) of subsection (3), and paragraph (i) of
68 subsection (7) of section 11.45, Florida Statutes, are amended,

COMMITTEE/SUBCOMMITTEE AMENDMENT

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69 and paragraph (y) is added to subsection (3) of that section, to
70 read:

71 11.45 Definitions; duties; authorities; reports; rules.—

72 (1) DEFINITIONS.—As used in ss. 11.40-11.51, the term:

73 (a) "Abuse" means behavior that is deficient or improper
74 when compared with behavior that a prudent person would consider
75 reasonable and necessary operational practice given the facts
76 and circumstances. The term includes the misuse of authority or
77 position for personal gain.

78 (b) ~~(a)~~ "Audit" means a financial audit, operational audit,
79 or performance audit.

80 (c) ~~(b)~~ "County agency" means a board of county
81 commissioners or other legislative and governing body of a
82 county, however styled, including that of a consolidated or
83 metropolitan government, a clerk of the circuit court, a
84 separate or ex officio clerk of the county court, a sheriff, a
85 property appraiser, a tax collector, a supervisor of elections,
86 or any other officer in whom any portion of the fiscal duties of
87 the above are under law separately placed.

88 (d) ~~(e)~~ "Financial audit" means an examination of financial
89 statements in order to express an opinion on the fairness with
90 which they are presented in conformity with generally accepted
91 accounting principles and an examination to determine whether
92 operations are properly conducted in accordance with legal and
93 regulatory requirements. Financial audits must be conducted in
94 accordance with auditing standards generally accepted in the

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95 United States and government auditing standards as adopted by
96 the Board of Accountancy. When applicable, the scope of
97 financial audits shall encompass the additional activities
98 necessary to establish compliance with the Single Audit Act
99 Amendments of 1996, 31 U.S.C. ss. 7501-7507, and other
100 applicable federal law.

101 (e) "Fraud" means obtaining something of value through
102 willful misrepresentation, including, but not limited to, the
103 intentional misstatements or omissions of amounts or disclosures
104 in financial statements to deceive users of financial
105 statements, theft of an entity's assets, bribery, or the use of
106 one's position for personal enrichment through the deliberate
107 misuse or misapplication of an organization's resources.

108 (f)~~(d)~~ "Governmental entity" means a state agency, a
109 county agency, or any other entity, however styled, that
110 independently exercises any type of state or local governmental
111 function.

112 (g)~~(e)~~ "Local governmental entity" means a county agency,
113 municipality, tourist development council, county tourism
114 promotion agency, or special district as defined in s. 189.012.
115 The term, but does not include any housing authority established
116 under chapter 421.

117 (h)~~(f)~~ "Management letter" means a statement of the
118 auditor's comments and recommendations.

119 (i)~~(g)~~ "Operational audit" means an audit whose purpose is
120 to evaluate management's performance in establishing and

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121 maintaining internal controls, including controls designed to
122 prevent and detect fraud, waste, and abuse, and in administering
123 assigned responsibilities in accordance with applicable laws,
124 administrative rules, contracts, grant agreements, and other
125 guidelines. Operational audits must be conducted in accordance
126 with government auditing standards. Such audits examine internal
127 controls that are designed and placed in operation to promote
128 and encourage the achievement of management's control objectives
129 in the categories of compliance, economic and efficient
130 operations, reliability of financial records and reports, and
131 safeguarding of assets, and identify weaknesses in those
132 internal controls.

133 (j) ~~(h)~~ "Performance audit" means an examination of a
134 program, activity, or function of a governmental entity,
135 conducted in accordance with applicable government auditing
136 standards or auditing and evaluation standards of other
137 appropriate authoritative bodies. The term includes an
138 examination of issues related to:

- 139 1. Economy, efficiency, or effectiveness of the program.
- 140 2. Structure or design of the program to accomplish its
141 goals and objectives.
- 142 3. Adequacy of the program to meet the needs identified by
143 the Legislature or governing body.
- 144 4. Alternative methods of providing program services or
145 products.

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146 5. Goals, objectives, and performance measures used by the
147 agency to monitor and report program accomplishments.

148 6. The accuracy or adequacy of public documents, reports,
149 or requests prepared under the program by state agencies.

150 7. Compliance of the program with appropriate policies,
151 rules, or laws.

152 8. Any other issues related to governmental entities as
153 directed by the Legislative Auditing Committee.

154 (k)~~(i)~~ "Political subdivision" means a separate agency or
155 unit of local government created or established by law and
156 includes, but is not limited to, the following and the officers
157 thereof: authority, board, branch, bureau, city, commission,
158 consolidated government, county, department, district,
159 institution, metropolitan government, municipality, office,
160 officer, public corporation, town, or village.

161 (l)~~(j)~~ "State agency" means a separate agency or unit of
162 state government created or established by law and includes, but
163 is not limited to, the following and the officers thereof:
164 authority, board, branch, bureau, commission, department,
165 division, institution, office, officer, or public corporation,
166 as the case may be, except any such agency or unit within the
167 legislative branch of state government other than the Florida
168 Public Service Commission.

169 (m) "Waste" means the act of using or expending resources
170 unreasonably, carelessly, extravagantly, or for no useful
171 purpose.

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172 (2) DUTIES.—The Auditor General shall:
173 (j) Conduct audits of local governmental entities when
174 determined to be necessary by the Auditor General, when directed
175 by the Legislative Auditing Committee, or when otherwise
176 required by law. No later than 18 months after the release of
177 the audit report, the Auditor General shall perform such
178 appropriate followup procedures as he or she deems necessary to
179 determine the audited entity's progress in addressing the
180 findings and recommendations contained within the Auditor
181 General's previous report. The Auditor General shall notify each
182 member of the audited entity's governing body and the
183 Legislative Auditing Committee of the results of his or her
184 determination. For purposes of this paragraph, local
185 governmental entities do not include water management districts.
186

187 The Auditor General shall perform his or her duties
188 independently but under the general policies established by the
189 Legislative Auditing Committee. This subsection does not limit
190 the Auditor General's discretionary authority to conduct other
191 audits or engagements of governmental entities as authorized in
192 subsection (3).

193 (3) AUTHORITY FOR AUDITS AND OTHER ENGAGEMENTS.—The
194 Auditor General may, pursuant to his or her own authority, or at
195 the direction of the Legislative Auditing Committee, conduct
196 audits or other engagements as determined appropriate by the
197 Auditor General of:

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COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. CS/HB 1063 (2015)

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198 (v) The Florida Virtual School ~~pursuant to s. 1002.37.~~

199 (y) Tourist development councils and county tourism
200 promotion agencies.

201 (7) AUDITOR GENERAL REPORTING REQUIREMENTS.—

202 (i) The Auditor General shall annually transmit by July
203 15, to the President of the Senate, the Speaker of the House of
204 Representatives, and the Department of Financial Services, a
205 list of all school districts, charter schools, charter technical
206 career centers, Florida College System institutions, state
207 universities, and local governmental entities ~~water management~~
208 ~~districts~~ that have failed to comply with the transparency
209 requirements as identified in the audit reports reviewed
210 pursuant to paragraph (b) and those conducted pursuant to
211 subsection (2).

212 Section 3. Paragraph (d) of subsection (2) of section
213 28.35, Florida Statutes, is amended to read:

214 28.35 Florida Clerks of Court Operations Corporation.—

215 (2) The duties of the corporation shall include the
216 following:

217 (d) Developing and certifying a uniform system of workload
218 measures and applicable workload standards for court-related
219 functions as developed by the corporation and clerk workload
220 performance in meeting the workload performance standards. These
221 workload measures and workload performance standards shall be
222 designed to facilitate an objective determination of the
223 performance of each clerk in accordance with minimum standards

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224 for fiscal management, operational efficiency, and effective
225 collection of fines, fees, service charges, and court costs. The
226 corporation shall develop the workload measures and workload
227 performance standards in consultation with the Legislature. When
228 the corporation finds a clerk has not met the workload
229 performance standards, the corporation shall identify the nature
230 of each deficiency and any corrective action recommended and
231 taken by the affected clerk of the court. For quarterly periods
232 ending on the last day of March, June, September, and December
233 of each year, the corporation shall notify the Legislature of
234 any clerk not meeting workload performance standards and provide
235 a copy of any corrective action plans. Such notifications shall
236 be submitted no later than 45 days after the end of the
237 preceding quarterly period. As used in this subsection, the
238 term:

239 1. "Workload measures" means the measurement of the
240 activities and frequency of the work required for the clerk to
241 adequately perform the court-related duties of the office as
242 defined by the membership of the Florida Clerks of Court
243 Operations Corporation.

244 2. "Workload performance standards" means the standards
245 developed to measure the timeliness and effectiveness of the
246 activities that are accomplished by the clerk in the performance
247 of the court-related duties of the office as defined by the
248 membership of the Florida Clerks of Court Operations
249 Corporation.

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250 Section 4. Subsections (6) and (7) of section 43.16,
251 Florida Statutes, are renumbered as subsections (7) and (8),
252 respectively, and a new subsection (6) is added to that section
253 to read:

254 43.16 Justice Administrative Commission; membership,
255 powers and duties.—

256 (6) The commission, each state attorney, each public
257 defender, the criminal conflict and civil regional counsel, the
258 capital collateral regional counsel, and the Guardian Ad Litem
259 Program shall establish and maintain internal controls designed
260 to:

261 (a) Prevent and detect fraud, waste, and abuse.

262 (b) Promote and encourage compliance with applicable laws,
263 rules, contracts, grant agreements, and best practices.

264 (c) Support economical and efficient operations.

265 (d) Ensure reliability of financial records and reports.

266 (e) Safeguard assets.

267 Section 5. Subsection (1) of section 112.31455, Florida
268 Statutes, is amended to read:

269 112.31455 Collection methods for unpaid automatic fines
270 for failure to timely file disclosure of financial interests.—

271 (1) Before referring any unpaid fine accrued pursuant to
272 s. 112.3144(5) or s. 112.3145(7) ~~s. 112.3145(6)~~ to the
273 Department of Financial Services, the commission shall attempt
274 to determine whether the individual owing such a fine is a
275 current public officer or current public employee. If so, the

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276 commission may notify the Chief Financial Officer or the
277 governing body of the appropriate county, municipality, school
278 district, or special district of the total amount of any fine
279 owed to the commission by such individual.

280 (a) After receipt and verification of the notice from the
281 commission, the Chief Financial Officer or the governing body of
282 the county, municipality, school district, or special district
283 shall begin withholding the lesser of 10 percent or the maximum
284 amount allowed under federal law from any salary-related
285 payment. The withheld payments shall be remitted to the
286 commission until the fine is satisfied.

287 (b) The Chief Financial Officer or the governing body of
288 the county, municipality, school district, or special district
289 may retain an amount of each withheld payment, as provided in s.
290 77.0305, to cover the administrative costs incurred under this
291 section.

292 Section 6. Section 112.31456, Florida Statutes, is created
293 to read:

294 112.31456 Garnishment of wages for unpaid automatic fines
295 for failure to timely file disclosure of financial interests.-

296 (1) Before referring any unpaid fine accrued pursuant to
297 s. 112.3144(5) or s. 112.3145(7) to the Department of Financial
298 Services, the commission shall attempt to determine whether the
299 individual owing such a fine is a current public officer or
300 current public employee. If the commission determines that an
301 individual who is the subject of an unpaid fine accrued pursuant

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302 to s. 112.3144(5) or s. 112.3145(7) is no longer a public
303 officer or public employee or if the commission cannot determine
304 whether the individual is a current public officer or current
305 public employee, the commission may, 6 months after the order
306 becomes final, seek garnishment of any wages to satisfy the
307 amount of the fine, or any unpaid portion thereof, pursuant to
308 chapter 77. Upon recording the order imposing the fine with the
309 clerk of the circuit court, the order shall be deemed a judgment
310 for purposes of garnishment pursuant to chapter 77.

311 (2) The commission may refer unpaid fines to the
312 appropriate collection agency, as directed by the Chief
313 Financial Officer, to use any collection methods provided by
314 law. Except as expressly limited by this section, any other
315 collection method authorized by law is allowed.

316 (3) Action may be taken to collect any unpaid fine imposed
317 by ss. 112.3144 and 112.3145 within 20 years after the date the
318 final order is rendered.

319 Section 7. Section 112.3261, Florida Statutes, is amended
320 to read:

321 112.3261 Lobbying before governmental entities ~~water~~
322 ~~management districts~~; registration and reporting.-

323 (1) As used in this section, the term:

324 (a) "Governmental entity" or "entity" "District" means a
325 water management district created in s. 373.069 and operating
326 under the authority of chapter 373, a hospital district, a
327 children's services district, an expressway authority as the

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328 term "authority" as defined in s. 348.0002, the term "port
329 authority" as defined in s. 315.02, or an independent special
330 district with annual revenues of more than \$5 million which
331 exercises ad valorem taxing authority.

332 (b) "Lobbies" means seeking, on behalf of another person,
333 to influence a governmental entity ~~district~~ with respect to a
334 decision of the entity ~~district~~ in an area of policy or
335 procurement or an attempt to obtain the goodwill of an a
336 ~~district~~ official or employee of a governmental entity. The term
337 "lobbies" shall be interpreted and applied consistently with the
338 rules of the commission implementing s. 112.3215.

339 (c) "Lobbyist" has the same meaning as provided in s.
340 112.3215.

341 (d) "Principal" has the same meaning as provided in s.
342 112.3215.

343 (2) A person may not lobby a governmental entity ~~district~~
344 until such person has registered as a lobbyist with that entity
345 ~~district~~. Such registration shall be due upon initially being
346 retained to lobby and is renewable on a calendar-year basis
347 thereafter. Upon registration, the person shall provide a
348 statement signed by the principal or principal's representative
349 stating that the registrant is authorized to represent the
350 principal. The principal shall also identify and designate its
351 main business on the statement authorizing that lobbyist
352 pursuant to a classification system approved by the governmental
353 entity ~~district~~. Any changes to the information required by this

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354 section must be disclosed within 15 days by filing a new
355 registration form. The registration form shall require each
356 lobbyist to disclose, under oath, the following:

357 (a) The lobbyist's name and business address.

358 (b) The name and business address of each principal
359 represented.

360 (c) The existence of any direct or indirect business
361 association, partnership, or financial relationship with an
362 official ~~any officer~~ or employee of a governmental entity
363 ~~district~~ with which he or she lobbies or intends to lobby.

364 (d) A governmental entity shall create a lobbyist
365 registration form modeled after the ~~In lieu of creating its own~~
366 ~~lobbyist registration forms, a district may accept a completed~~
367 legislative branch or executive branch lobbyist registration
368 form, which must be returned to the governmental entity.

369 (3) A governmental entity ~~district~~ shall make lobbyist
370 registrations available to the public. If a governmental entity
371 ~~district~~ maintains a website, a database of currently registered
372 lobbyists and principals must be available on the entity's
373 ~~district's~~ website.

374 (4) A lobbyist shall promptly send a written statement to
375 the governmental entity ~~district~~ canceling the registration for
376 a principal upon termination of the lobbyist's representation of
377 that principal. A governmental entity ~~district~~ may remove the
378 name of a lobbyist from the list of registered lobbyists if the

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379 principal notifies the entity ~~district~~ that a person is no
380 longer authorized to represent that principal.

381 (5) A governmental entity ~~district~~ may establish an annual
382 lobbyist registration fee, not to exceed \$40, for each principal
383 represented. The governmental entity ~~district~~ may use
384 registration fees only to administer this section.

385 (6) A governmental entity ~~district~~ shall be diligent to
386 ascertain whether persons required to register pursuant to this
387 section have complied. A governmental entity ~~district~~ may not
388 knowingly authorize a person who is not registered pursuant to
389 this section to lobby the entity ~~district~~.

390 (7) Upon receipt of a sworn complaint alleging that a
391 lobbyist or principal has failed to register with a governmental
392 entity ~~district~~ or has knowingly submitted false information in
393 a report or registration required under this section, the
394 commission shall investigate a lobbyist or principal pursuant to
395 the procedures established under s. 112.324. The commission
396 shall provide the Governor with a report of its findings and
397 recommendations in any investigation conducted pursuant to this
398 subsection. The Governor is authorized to enforce the
399 commission's findings and recommendations.

400 (8) A governmental entity ~~Water management districts~~ may
401 adopt rules to establish procedures to govern the registration
402 of lobbyists, including the adoption of forms and the
403 establishment of a lobbyist registration fee.

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404 Section 8. Paragraph (c) of subsection (3) of section
405 129.03, Florida Statutes, is amended to read:

406 129.03 Preparation and adoption of budget.—

407 (3) The county budget officer, after tentatively
408 ascertaining the proposed fiscal policies of the board for the
409 next fiscal year, shall prepare and present to the board a
410 tentative budget for the next fiscal year for each of the funds
411 provided in this chapter, including all estimated receipts,
412 taxes to be levied, and balances expected to be brought forward
413 and all estimated expenditures, reserves, and balances to be
414 carried over at the end of the year.

415 (c) The board shall hold public hearings to adopt
416 tentative and final budgets pursuant to s. 200.065. The hearings
417 shall be primarily for the purpose of hearing requests and
418 complaints from the public regarding the budgets and the
419 proposed tax levies and for explaining the budget and any
420 proposed or adopted amendments. The tentative budget must be
421 posted on the county's official website at least 2 days before
422 the public hearing to consider such budget and must remain on
423 the website for at least 45 days. The final budget must be
424 posted on the website within 30 days after adoption and must
425 remain on the website for at least 2 years. The tentative
426 budgets, adopted tentative budgets, and final budgets shall be
427 filed in the office of the county auditor as a public record.
428 Sufficient reference in words and figures to identify the

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429 particular transactions shall be made in the minutes of the
430 board to record its actions with reference to the budgets.

431 Section 9. Paragraph (f) of subsection (2) of section
432 129.06, Florida Statutes, is amended to read:

433 129.06 Execution and amendment of budget.—

434 (2) The board at any time within a fiscal year may amend a
435 budget for that year, and may within the first 60 days of a
436 fiscal year amend the budget for the prior fiscal year, as
437 follows:

438 (f) Unless otherwise prohibited by law, if an amendment to
439 a budget is required for a purpose not specifically authorized
440 in paragraphs (a)-(e), the amendment may be authorized by
441 resolution or ordinance of the board of county commissioners
442 adopted following a public hearing.

443 1. The public hearing must be advertised at least 2 days,
444 but not more than 5 days, before the date of the hearing. The
445 advertisement must appear in a newspaper of paid general
446 circulation and must identify the name of the taxing authority,
447 the date, place, and time of the hearing, and the purpose of the
448 hearing. The advertisement must also identify each budgetary
449 fund to be amended, the source of the funds, the use of the
450 funds, and the total amount of each fund's appropriations.

451 2. If the board amends the budget pursuant to this
452 paragraph, the adopted amendment must be posted on the county's
453 official website within 5 days after adoption and must remain on
454 the website for at least 2 years.

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455 Section 10. Subsections (3) and (5) of section 166.241,
456 Florida Statutes, are amended to read:

457 166.241 Fiscal years, budgets, and budget amendments.—

458 (3) The tentative budget must be posted on the
459 municipality's official website at least 2 days before the
460 budget hearing, held pursuant to s. 200.065 or other law, to
461 consider such budget and must remain on the website for at least
462 45 days. The final adopted budget must be posted on the
463 municipality's official website within 30 days after adoption
464 and must remain on the website for at least 2 years. If the
465 municipality does not operate an official website, the
466 municipality must, within a reasonable period of time as
467 established by the county or counties in which the municipality
468 is located, transmit the tentative budget and final budget to
469 the manager or administrator of such county or counties who
470 shall post the budgets on the county's website.

471 (5) If the governing body of a municipality amends the
472 budget pursuant to paragraph (4)(c), the adopted amendment must
473 be posted on the official website of the municipality within 5
474 days after adoption and must remain on the website for at least
475 2 years. If the municipality does not operate an official
476 website, the municipality must, within a reasonable period of
477 time as established by the county or counties in which the
478 municipality is located, transmit the adopted amendment to the
479 manager or administrator of such county or counties who shall
480 post the adopted amendment on the county's website.

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481 Section 11. Subsections (4) and (7) of section 189.016,
482 Florida Statutes, are amended to read:

483 189.016 Reports; budgets; audits.—

484 (4) The tentative budget must be posted on the special
485 district's official website at least 2 days before the budget
486 hearing, held pursuant to s. 200.065 or other law, to consider
487 such budget, and must remain on the website for at least 45
488 days. The final adopted budget must be posted on the special
489 district's official website within 30 days after adoption and
490 must remain on the website for at least 2 years. If the special
491 district does not operate an official website, the special
492 district must, within a reasonable period of time as established
493 by the local general-purpose government or governments in which
494 the special district is located or the local governing authority
495 to which the district is dependent, transmit the tentative
496 budget or final budget to the manager or administrator of the
497 local general-purpose government or the local governing
498 authority. The manager or administrator shall post the tentative
499 budget or final budget on the website of the local general-
500 purpose government or governing authority. This subsection and
501 subsection (3) do not apply to water management districts as
502 defined in s. 373.019.

503 (7) If the governing body of a special district amends the
504 budget pursuant to paragraph (6)(c), the adopted amendment must
505 be posted on the official website of the special district within
506 5 days after adoption and must remain on the website for at

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507 least 2 years. If the special district does not operate an
508 official website, the special district must, within a reasonable
509 period of time as established by the local general-purpose
510 government or governments in which the special district is
511 located or the local governing authority to which the district
512 is dependent, transmit the adopted amendment to the manager or
513 administrator of the local general-purpose government or
514 governing authority. The manager or administrator shall post the
515 adopted amendment on the website of the local general-purpose
516 government or governing authority.

517 Section 12. Subsections (1) through (5) of section
518 215.425, Florida Statutes, are renumbered as subsections (2)
519 through (6), respectively, present subsection (2) and paragraph
520 (a) of present subsection (4) are amended, and a new subsection
521 (1) and subsections (7) through (12) are added to that section,
522 to read:

523 215.425 Extra compensation claims prohibited; bonuses;
524 severance pay.—

525 (1) As used in this section, the term "public funds" means
526 any taxes, tuition, grants, fines, fees, or other charges or any
527 other type of revenue collected by the state or any county,
528 municipality, special district, school district, Florida College
529 System institution, state university, or other separate unit of
530 government created pursuant to law, including any office,
531 department, agency, division, subdivision, political

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532 subdivision, board, bureau, commission, authority, or
533 institution of such entities.

534 ~~(3)(2)~~ This section does not apply to:

535 ~~(a)~~ a bonus or severance pay that is paid from sources
536 other than public funds wholly from nontax revenues and
537 nonstate appropriated funds, the payment and receipt of which
538 does not otherwise violate part III of chapter 112, and which is
539 paid to an officer, agent, employee, or contractor of a public
540 hospital that is operated by a county or a special district; or

541 ~~(b)~~ a clothing and maintenance allowance given to
542 plainclothes deputies pursuant to s. 30.49.

543 ~~(5) (a) (4) (a)~~ ~~On or after July 1, 2011,~~ A unit of
544 government that enters into a contract or employment agreement,
545 or renewal or renegotiation of an existing contract or
546 employment agreement, that contains a provision for severance
547 pay with an officer, agent, employee, or contractor must include
548 the following provisions in the contract:

549 1. A requirement that severance pay paid from public funds
550 ~~provided~~ may not exceed an amount greater than 20 weeks of
551 compensation.

552 2. A prohibition of provision of severance pay paid from
553 public funds when the officer, agent, employee, or contractor
554 has been fired for misconduct, as defined in s. 443.036(29), by
555 the unit of government.

556 ~~(7)~~ Upon discovery or notification that a unit of
557 government has provided prohibited compensation to any officer,

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558 agent, employee, or contractor in violation of this section,
559 such unit of government shall investigate and take all necessary
560 action to recover the prohibited compensation.

561 (a) If the violation was unintentional, the unit of
562 government shall recover the prohibited compensation from the
563 individual receiving the prohibited compensation through normal
564 recovery methods for overpayments.

565 (b) If the violation was willful, the unit of government
566 shall recover the prohibited compensation from either the
567 individual receiving the prohibited compensation or the
568 individual or individuals responsible for approving the
569 prohibited compensation. Each individual determined to have
570 willfully violated this section is jointly and severally liable
571 for repayment of the prohibited compensation.

572 (8) A person who willfully violates this section commits a
573 misdemeanor of the first degree, punishable as provided in s.
574 775.082 or s. 775.083.

575 (9) An officer who exercises the powers and duties of a
576 state or county officer and willfully violates this section is
577 subject to the Governor's power under s. 7(a), Art. IV of the
578 State Constitution. An officer who exercises powers and duties
579 other than those of a state or county officer and willfully
580 violates this section is subject to the suspension and removal
581 procedures under s. 112.51.

582 (10) (a) A person who reports a violation of this section
583 is eligible for a reward of at least \$500, or the lesser of 10

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584 percent of the funds recovered or \$10,000 per incident of a
585 prohibited compensation payment recovered by the unit of
586 government, depending upon the extent to which the person
587 substantially contributed to the discovery, notification, and
588 recovery of such prohibited payment.

589 (b) In the event that the recovery of the prohibited
590 compensation is based primarily on disclosures of specific
591 information, other than information provided by such person,
592 relating to allegations or transactions in a criminal, civil, or
593 administrative hearing; in a legislative, administrative,
594 inspector general, or other government report; in an auditor
595 general report, hearing, audit, or investigation; or from the
596 news media, such person is not eligible for a reward or for an
597 award of a portion of the proceeds or payment of attorney fees
598 and costs pursuant to s. 68.085.

599 (c) If it is determined that the person who reported a
600 violation of this section was involved in the authorization,
601 approval, or receipt of the prohibited compensation or is
602 convicted of criminal conduct arising from his or her role in
603 the authorization, approval, or receipt of the prohibited
604 compensation, such person is not eligible for a reward, or for
605 an award of a portion of the proceeds or payment of attorney
606 fees and costs pursuant to s. 68.085.

607 (11) An employee who is discharged, demoted, suspended,
608 threatened, harassed, or in any manner discriminated against in
609 the terms and conditions of employment by his or her employer

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610 because of lawful acts done by the employee on behalf of the
611 employee or others in furtherance of an action under this
612 section, including investigation for initiation of, testimony
613 for, or assistance in an action filed or to be filed under this
614 section, has a cause of action under s. 112.3187.

615 (12) If the unit of government fails to recover prohibited
616 compensation for a willful violation of this section upon
617 discovery and notification of such prohibited payment within 90
618 days, a cause of action may be brought to:

619 (a) Recover state funds in accordance with ss. 68.082 and
620 68.083.

621 (b) Recover other funds by the Department of Legal Affairs
622 using the procedures set forth in ss. 68.082 and 68.083, except
623 that venue shall lie in the circuit court of the county in which
624 the unit of government is located.

625 (c) Recover other funds by a person using the procedures
626 set forth in ss. 68.082 and 68.083, except that venue shall lie
627 in the circuit court of the county in which the unit of
628 government is located.

629 Section 13. Section 215.86, Florida Statutes, is amended
630 to read:

631 215.86 Management systems and controls.—Each state agency
632 and the judicial branch as defined in s. 216.011 shall establish
633 and maintain management systems and internal controls designed
634 to:

635 (1) Prevent and detect fraud, waste, and abuse. ~~that~~

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636 (2) Promote and encourage compliance with applicable laws,
637 rules, contracts, grant agreements, and best practices.

638 (3) Support economical and economic, efficient, ~~and~~
639 ~~effective~~ operations.

640 (4) Ensure reliability of financial records and reports.

641 (5) Safeguard ~~and safeguarding~~ of assets. ~~Accounting~~
642 ~~systems and procedures shall be designed to fulfill the~~
643 ~~requirements of generally accepted accounting principles.~~

644 Section 14. Paragraph (a) of subsection (2) of section
645 215.97, Florida Statutes, is amended to read:

646 215.97 Florida Single Audit Act.—

647 (2) Definitions; as used in this section, the term:

648 (a) "Audit threshold" means the threshold amount used to
649 determine when a state single audit or project-specific audit of
650 a nonstate entity shall be conducted in accordance with this
651 section. Each nonstate entity that expends a total amount of
652 state financial assistance equal to or in excess of \$750,000
653 ~~\$500,000~~ in any fiscal year of such nonstate entity shall be
654 required to have a state single audit, or a project-specific
655 audit, for such fiscal year in accordance with the requirements
656 of this section. Periodically, ~~Every 2 years~~ the Auditor
657 General, after consulting with the Executive Office of the
658 Governor, the Department of Financial Services, and all state
659 awarding agencies, shall review the threshold amount for
660 requiring audits under this section and, if appropriate, may
661 recommend to the Legislature a statutory change to revise the

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662 threshold amount in the annual report submitted pursuant to s.
663 11.45(7)(h) may adjust such threshold amount consistent with the
664 purposes of this section.

665 Section 15. Subsection (11) of section 215.985, Florida
666 Statutes, is amended to read:

667 215.985 Transparency in government spending.—

668 (11) Each water management district shall provide a
669 monthly financial statement in the form and manner prescribed by
670 the Department of Financial Services to the district's its
671 governing board and make such monthly financial statement
672 available for public access on its website.

673 Section 16. Paragraph (d) of subsection (1) and subsection
674 (2) of section 218.32, Florida Statutes, are amended to read:

675 218.32 Annual financial reports; local governmental
676 entities.—

677 (1)

678 (d) Each local governmental entity that is required to
679 provide for an audit under s. 218.39(1) must submit a copy of
680 the audit report and annual financial report to the department
681 within 45 days after the completion of the audit report but no
682 later than 9 months after the end of the fiscal year. An
683 independent certified public accountant completing an audit of a
684 local governmental entity pursuant to s. 218.39 shall report, as
685 part of the audit, as to whether the entity's annual financial
686 report is in agreement with the audited financial statements.
687 The accountant's audit report must be supported by the same

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688 level of detail as required for the annual financial report. If
689 the accountant's audit report is not in agreement with the
690 annual financial report, the accountant shall specify and
691 explain the significant differences that exist between the
692 annual financial report and the audit report.

693 (2) The department shall annually by December 1 file a
694 verified report with the Governor, the Legislature, the Auditor
695 General, and the Special District Accountability Program of the
696 Department of Economic Opportunity showing the revenues, both
697 locally derived and derived from intergovernmental transfers,
698 and the expenditures of each local governmental entity, regional
699 planning council, local government finance commission, and
700 municipal power corporation that is required to submit an annual
701 financial report. In preparing the verified report, the
702 department may request additional information from the local
703 governmental entity. The information requested must be provided
704 to the department within 45 days after the request. If the local
705 governmental entity does not comply with the request, the
706 department shall notify the Legislative Auditing Committee,
707 which may take action pursuant to s. 11.40(2). The report must
708 include, but is not limited to:

709 (a) The total revenues and expenditures of each local
710 governmental entity that is a component unit included in the
711 annual financial report of the reporting entity.

712 (b) The amount of outstanding long-term debt by each local
713 governmental entity. For purposes of this paragraph, the term

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714 "long-term debt" means any agreement or series of agreements to
715 pay money, which, at inception, contemplate terms of payment
716 exceeding 1 year in duration.

717 Section 17. Subsection (3) of section 218.33, Florida
718 Statutes, is renumbered as subsection (4), and a new subsection
719 (3) is added to that section to read:

720 218.33 Local governmental entities; establishment of
721 uniform fiscal years and accounting practices and procedures.—

722 (3) Each local governmental entity shall establish and
723 maintain internal controls designed to:

724 (a) Prevent and detect fraud, waste, and abuse.

725 (b) Promote and encourage compliance with applicable laws,
726 rules, contracts, grant agreements, and best practices.

727 (c) Support economical and efficient operations.

728 (d) Ensure reliability of financial records and reports.

729 (e) Safeguard assets.

730 Section 18. Subsections (8) through (12) of section
731 218.39, Florida Statutes, are renumbered as subsections (9)
732 through (13), respectively, and a new subsection (8) is added to
733 that section to read:

734 218.39 Annual financial audit reports.—

735 (8) If the audit report includes a recommendation that was
736 included in the preceding financial audit report, the governing
737 body of the audited entity, within 60 days after the delivery of
738 the audit report to the governing body and during a regularly
739 scheduled public meeting, shall indicate its intent regarding

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740 corrective action, the corrective action to be taken, and when
741 the corrective action will occur. If the governing body does not
742 intend to take corrective action, it shall explain why such
743 action will not be taken at the regularly scheduled public
744 meeting.

745 Section 19. Subsection (2) of section 218.391, Florida
746 Statutes, is amended, and subsection (9) is added to that
747 section, to read:

748 218.391 Auditor selection procedures.—

749 (2) The governing body of a ~~charter~~ county, municipality,
750 special district, district school board, charter school, or
751 charter technical career center shall establish an audit
752 committee.

753 (a) For a county, the ~~Each noncharter county shall~~
754 establish an audit committee that, at a minimum, shall consist
755 of each of the county officers elected pursuant to the county
756 charter or s. 1(d), Art. VIII of the State Constitution, or a
757 designee, and one member of the board of county commissioners or
758 its designee.

759 (b) For a municipality, special district, district school
760 board, charter school, or charter technical career center, the
761 audit committee shall consist of at least three members. One
762 member of the audit committee must be a member of the governing
763 body of an entity specified in this paragraph who shall also
764 serve as the chair of the committee.

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765 (c) A member of the audit committee may not be an
766 employee, chief executive officer, or chief financial officer of
767 the county, municipality, special district, district school
768 board, charter school, or charter technical career center.

769 (d) The primary purpose of the audit committee is to
770 assist the governing body in selecting an auditor to conduct the
771 annual financial audit required in s. 218.39; however, the audit
772 committee may serve other audit oversight purposes as determined
773 by the entity's governing body. The public ~~may~~ shall not be
774 excluded from the proceedings under this section.

775 (9) An audit report submitted pursuant to s. 218.39 must
776 include an affidavit executed by the chair of the audit
777 committee affirming that the committee complied with the
778 requirements of subsections (3)-(6) in selecting an auditor. If
779 the Auditor General determines that an entity failed to comply
780 with the requirements of subsections (3)-(6) in selecting an
781 auditor, the entity shall select a replacement auditor in
782 accordance with this section to conduct audits for subsequent
783 fiscal years if the original audit was performed under a
784 multiyear contract. If the replacement of an auditor would
785 preclude the entity from timely completing the annual financial
786 audit required by s. 218.39, the entity shall replace an auditor
787 in accordance with this section for the subsequent annual
788 financial audit. A multiyear contract between an entity or an
789 auditor may not prohibit or restrict an entity from complying
790 with this subsection.

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791 Section 20. Paragraph (b) of subsection (2) of section
792 288.92, Florida Statutes, is amended to read:

793 288.92 Divisions of Enterprise Florida, Inc.—
794 (2)

795 (b)1. The following officers and board members are subject
796 to ss. 112.313(1)-(8), (10), (12), and (15); 112.3135; and
797 112.3143(2):

798 a. Officers and members of the board of directors of the
799 divisions of Enterprise Florida, Inc.

800 b. Officers and members of the board of directors of
801 subsidiaries of Enterprise Florida, Inc.

802 c. Officers and members of the board of directors of
803 corporations created to carry out the missions of Enterprise
804 Florida, Inc.

805 d. Officers and members of the board of directors of
806 corporations with which a division is required by law to
807 contract to carry out its missions.

808 2. The officers and board members specified in
809 subparagraph 1. may not represent another person or entity for
810 compensation before Enterprise Florida, Inc., or a division, a
811 subsidiary, or the board of directors of corporations created to
812 carry out the missions of Enterprise Florida, Inc., or with
813 which a division is required by law to contract to carry out its
814 missions, for 2 years after retirement from or termination of
815 service to a division.

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816 ~~3.2-~~ For purposes of applying ss. 112.313(1)-(8), (10),
817 (12), and (15); 112.3135; and 112.3143(2) to activities of the
818 officers and members of the board of directors specified in
819 subparagraph 1., those persons shall be considered public
820 officers or employees and the corporation shall be considered
821 their agency.

822 ~~4.3-~~ It is not a violation of s. 112.3143(2) or (4) for
823 the officers or members of the board of directors of the Florida
824 Tourism Industry Marketing Corporation to:

825 a. Vote on the 4-year marketing plan required under s.
826 288.923 or vote on any individual component of or amendment to
827 the plan.

828 b. Participate in the establishment or calculation of
829 payments related to the private match requirements of s.
830 288.904(3). The officer or member must file an annual disclosure
831 describing the nature of his or her interests or the interests
832 of his or her principals, including corporate parents and
833 subsidiaries of his or her principal, in the private match
834 requirements. This annual disclosure requirement satisfies the
835 disclosure requirement of s. 112.3143(4). This disclosure must
836 be placed either on the Florida Tourism Industry Marketing
837 Corporation's website or included in the minutes of each meeting
838 of the Florida Tourism Industry Marketing Corporation's board of
839 directors at which the private match requirements are discussed
840 or voted upon.

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841 Section 21. Paragraph (a) of subsection (3) of section
842 288.9604, Florida Statutes, is amended to read:

843 288.9604 Creation of the authority.—

844 (3)(a)1. A director may not receive compensation for his
845 or her services, but is entitled to necessary expenses,
846 including travel expenses, incurred in the discharge of his or
847 her duties. Each director shall hold office until his or her
848 successor has been appointed.

849 2. Directors are subject to ss. 112.313(1)-(8), (10),
850 (12), and (15); 112.3135; and 112.3143(2). For purposes of
851 applying ss. 112.313(1)-(8), (10), (12), and (15); 112.3135; and
852 112.3143(2) to activities of directors, directors shall be
853 considered public officers and the corporation shall be
854 considered their agency.

855 3. A director of the board of directors of the corporation
856 may not represent another person or entity for compensation
857 before the corporation for a period of 2 years following his or
858 her service on the board of directors.

859 Section 22. Paragraph (e) of subsection (4), paragraph (d)
860 of subsection (5), and paragraph (d) of subsection (6) of
861 section 373.536, Florida Statutes, are amended to read:

862 373.536 District budget and hearing thereon.—

863 (4) BUDGET CONTROLS; FINANCIAL INFORMATION.—

864 (e) ~~By September 1, 2012,~~ Each district shall provide a
865 monthly financial statement in the form and manner prescribed by
866 the Department of Financial Services to the district's governing

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867 board and make such monthly financial statement available for
868 public access on its website.

869 (5) TENTATIVE BUDGET CONTENTS AND SUBMISSION; REVIEW AND
870 APPROVAL.—

871 (d) Each district shall, by August 1 of each year, submit
872 for review a tentative budget and a description of any
873 significant changes from the preliminary budget submitted to the
874 Legislature pursuant to s. 373.535 to the Governor, the
875 President of the Senate, the Speaker of the House of
876 Representatives, the chairs of all legislative committees and
877 subcommittees having substantive or fiscal jurisdiction over
878 water management districts, as determined by the President of
879 the Senate or the Speaker of the House of Representatives, as
880 applicable, the secretary of the department, and the governing
881 body of each county in which the district has jurisdiction or
882 derives any funds for the operations of the district. The
883 tentative budget must be posted on the district's official
884 website at least 2 days before budget hearings held pursuant to
885 s. 200.065 or other law and must remain on the website for at
886 least 45 days.

887 (6) FINAL BUDGET; ANNUAL AUDIT; CAPITAL IMPROVEMENTS PLAN;
888 WATER RESOURCE DEVELOPMENT WORK PROGRAM.—

889 (d) The final adopted budget must be posted on the water
890 management district's official website within 30 days after
891 adoption and must remain on the website for at least 2 years.

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892 Section 23. Paragraph (j) of subsection (9) of section
893 1002.33, Florida Statutes, is amended to read:

894 1002.33 Charter schools.—

895 (9) CHARTER SCHOOL REQUIREMENTS.—

896 (j) The governing body of the charter school shall be
897 responsible for:

898 1. Establishing and maintaining internal controls designed
899 to:

900 a. Prevent and detect fraud, waste, and abuse.

901 b. Promote and encourage compliance with applicable laws,
902 rules, contracts, grant agreements, and best practices.

903 c. Support economical and efficient operations.

904 d. Ensure reliability of financial records and reports.

905 e. Safeguard assets.

906 ~~2.1.~~ Ensuring that the charter school has retained the
907 services of a certified public accountant or auditor for the
908 annual financial audit, pursuant to s. 1002.345(2), who shall
909 submit the report to the governing body.

910 ~~3.2.~~ Reviewing and approving the audit report, including
911 audit findings and recommendations for the financial recovery
912 plan.

913 ~~4.a.3.a.~~ Performing the duties in s. 1002.345, including
914 monitoring a corrective action plan.

915 b. Monitoring a financial recovery plan in order to ensure
916 compliance.

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917 5.4. Participating in governance training approved by the
918 department which must include government in the sunshine,
919 conflicts of interest, ethics, and financial responsibility.

920 Section 24. Subsections (6) through (10) of section
921 1002.37, Florida Statutes, are renumbered as subsections (7)
922 through (11), respectively, a new subsection (6) is added to
923 that section, and present subsections (6) and (11) of that
924 section are amended, to read:

925 1002.37 The Florida Virtual School.—

926 (6) The Florida Virtual School shall have an annual
927 financial audit of its accounts and records completed by an
928 independent auditor who is a certified public accountant
929 licensed under chapter 473. The independent auditor shall
930 conduct the audit in accordance with rules adopted by the
931 Auditor General pursuant to s. 11.45 and, upon completion of the
932 audit, shall prepare an audit report in accordance with such
933 rules. The audit report must include a written statement of the
934 board of trustees describing corrective action to be taken in
935 response to each of the independent auditor's recommendations
936 included in the audit report. The independent auditor shall
937 submit the audit report to the board of trustees and the Auditor
938 General no later than 9 months after the end of the preceding
939 fiscal year.

940 (7) ~~(6)~~ The board of trustees shall annually submit to the
941 Governor, the Legislature, the Commissioner of Education, and
942 the State Board of Education, the audit report prepared pursuant

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943 to subsection (6) and a complete and detailed report setting
944 forth:

945 (a) The operations and accomplishments of the Florida
946 Virtual School within the state and those occurring outside the
947 state as Florida Virtual School Global.

948 (b) The marketing and operational plan for the Florida
949 Virtual School and Florida Virtual School Global, including
950 recommendations regarding methods for improving the delivery of
951 education through the Internet and other distance learning
952 technology.

953 (c) The assets and liabilities of the Florida Virtual
954 School and Florida Virtual School Global at the end of the
955 fiscal year.

956 ~~(d) A copy of an annual financial audit of the accounts
957 and records of the Florida Virtual School and Florida Virtual
958 School Global, conducted by an independent certified public
959 accountant and performed in accordance with rules adopted by the
960 Auditor General.~~

961 ~~(d)~~(e) Recommendations regarding the unit cost of
962 providing services to students through the Florida Virtual
963 School and Florida Virtual School Global. In order to most
964 effectively develop public policy regarding any future funding
965 of the Florida Virtual School, it is imperative that the cost of
966 the program is accurately identified. The identified cost of the
967 program must be based on reliable data.

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968 ~~(e)(f)~~ Recommendations regarding an accountability
969 mechanism to assess the effectiveness of the services provided
970 by the Florida Virtual School and Florida Virtual School Global.

971 ~~(11) The Auditor General shall conduct an operational~~
972 ~~audit of the Florida Virtual School, including Florida Virtual~~
973 ~~School Global. The scope of the audit shall include, but not be~~
974 ~~limited to, the administration of responsibilities relating to~~
975 ~~personnel; procurement and contracting; revenue production;~~
976 ~~school funds, including internal funds; student enrollment~~
977 ~~records; franchise agreements; information technology~~
978 ~~utilization, assets, and security; performance measures and~~
979 ~~standards; and accountability. The final report on the audit~~
980 ~~shall be submitted to the President of the Senate and the~~
981 ~~Speaker of the House of Representatives no later than January~~
982 ~~31, 2014.~~

983 Section 25. Subsection (5) is added to section 1010.01,
984 Florida Statutes, to read:

985 1010.01 Uniform records and accounts.—

986 (5) Each school district, Florida College System
987 institution, and state university shall establish and maintain
988 internal controls designed to:

989 (a) Prevent and detect fraud, waste, and abuse.

990 (b) Promote and encourage compliance with applicable laws,
991 rules, contracts, grant agreements, and best practices.

992 (c) Support economical and efficient operations.

993 (d) Ensure reliability of financial records and reports.

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994 (e) Safeguard assets.

995 Section 26. Subsection (2) of section 1010.30, Florida
996 Statutes, is amended to read:

997 1010.30 Audits required.—

998 (2) If a school district, Florida College System
999 institution, or university audit report includes a
1000 recommendation that was previously included in the preceding
1001 financial audit report ~~an audit contains a significant finding,~~
1002 the district school board, the Florida College System
1003 institution board of trustees, or the university board of
1004 trustees, within 60 days after the delivery of the audit report
1005 to the school district, Florida College System institution, or
1006 university and ~~shall conduct an audit overview~~ during a
1007 regularly scheduled public meeting, shall indicate its intent
1008 regarding corrective action, the corrective action to be taken,
1009 and when the corrective action will occur. If the district
1010 school board, Florida College System institution board of
1011 trustees, or university board of trustees does not intend to
1012 take corrective action, it shall explain why such action will
1013 not be taken at the regularly scheduled public meeting.

1014 Section 27. Subsection (2) of section 68.082, Florida
1015 Statutes, is amended to read:

1016 68.082 False claims against the state; definitions;
1017 liability.—

1018 (2) Any person who:

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1019 (a) Knowingly presents or causes to be presented a false
1020 or fraudulent claim for payment or approval;

1021 (b) Knowingly authorizes, approves, or receives payment of
1022 prohibited compensation in violation of s. 215.425;

1023 (c)~~(b)~~ Knowingly makes, uses, or causes to be made or used
1024 a false record or statement material to a false or fraudulent
1025 claim;

1026 (d)~~(e)~~ Conspires to commit a violation of this subsection;

1027 (e)~~(d)~~ Has possession, custody, or control of property or
1028 money used or to be used by the state and knowingly delivers or
1029 causes to be delivered less than all of that money or property;

1030 (f)~~(e)~~ Is authorized to make or deliver a document
1031 certifying receipt of property used or to be used by the state
1032 and, intending to defraud the state, makes or delivers the
1033 receipt without knowing that the information on the receipt is
1034 true;

1035 (g)~~(f)~~ Knowingly buys or receives, as a pledge of an
1036 obligation or a debt, public property from an officer or
1037 employee of the state who may not sell or pledge the property;
1038 or

1039 (h)~~(g)~~ Knowingly makes, uses, or causes to be made or used
1040 a false record or statement material to an obligation to pay or
1041 transmit money or property to the state, or knowingly conceals
1042 or knowingly and improperly avoids or decreases an obligation to
1043 pay or transmit money or property to the state

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1045 is liable to the state for a civil penalty of not less than
1046 \$5,500 and not more than \$11,000 and for treble the amount of
1047 damages the state sustains because of the act of that person.

1048 Section 28. Subsection (1) of section 68.083, Florida
1049 Statutes, is amended to read:

1050 68.083 Civil actions for false claims.—

1051 (1) The department may diligently investigate a violation
1052 under s. 68.082. If the department finds that a person has
1053 violated or is violating s. 68.082, the department may bring a
1054 civil action under the Florida False Claims Act against the
1055 person. The Department of Financial Services may bring a civil
1056 action under this section if the action arises from an
1057 investigation by that department and the Department of Legal
1058 Affairs has not filed an action under this act. For a violation
1059 of s. 68.082 regarding prohibited compensation paid from state
1060 funds, the Department of Financial Services may bring a civil
1061 action under this section if the action arises from an
1062 investigation by that department concerning a violation of s.
1063 215.425 by the state and the Department of Legal Affairs has not
1064 filed an action under this act.

1065 Section 29. Subsection (3) of section 218.503, Florida
1066 Statutes, is amended to read:

1067 218.503 Determination of financial emergency.—

1068 (3) Upon notification that one or more of the conditions
1069 in subsection (1) have occurred or will occur if action is not
1070 taken to assist the local governmental entity or district school

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1071 board, the Governor or his or her designee shall contact the
1072 local governmental entity or the Commissioner of Education or
1073 his or her designee shall contact the district school board to
1074 determine what actions have been taken by the local governmental
1075 entity or the district school board to resolve or prevent the
1076 condition. The information requested must be provided within 45
1077 days after the date of the request. If the local governmental
1078 entity or the district school board does not comply with the
1079 request, the Governor or his or her designee or the Commissioner
1080 of Education or his or her designee shall notify ~~the members of~~
1081 the Legislative Auditing Committee, which ~~who~~ may take action
1082 pursuant to s. 11.40(2) ~~s. 11.40~~. The Governor or the
1083 Commissioner of Education, as appropriate, shall determine
1084 whether the local governmental entity or the district school
1085 board needs state assistance to resolve or prevent the
1086 condition. If state assistance is needed, the local governmental
1087 entity or district school board is considered to be in a state
1088 of financial emergency. The Governor or the Commissioner of
1089 Education, as appropriate, has the authority to implement
1090 measures as set forth in ss. 218.50-218.504 to assist the local
1091 governmental entity or district school board in resolving the
1092 financial emergency. Such measures may include, but are not
1093 limited to:

1094 (a) Requiring approval of the local governmental entity's
1095 budget by the Governor or approval of the district school
1096 board's budget by the Commissioner of Education.

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1097 (b) Authorizing a state loan to a local governmental
1098 entity and providing for repayment of same.

1099 (c) Prohibiting a local governmental entity or district
1100 school board from issuing bonds, notes, certificates of
1101 indebtedness, or any other form of debt until such time as it is
1102 no longer subject to this section.

1103 (d) Making such inspections and reviews of records,
1104 information, reports, and assets of the local governmental
1105 entity or district school board as are needed. The appropriate
1106 local officials shall cooperate in such inspections and reviews.

1107 (e) Consulting with officials and auditors of the local
1108 governmental entity or the district school board and the
1109 appropriate state officials regarding any steps necessary to
1110 bring the books of account, accounting systems, financial
1111 procedures, and reports into compliance with state requirements.

1112 (f) Providing technical assistance to the local
1113 governmental entity or the district school board.

1114 (g)1. Establishing a financial emergency board to oversee
1115 the activities of the local governmental entity or the district
1116 school board. If a financial emergency board is established for
1117 a local governmental entity, the Governor shall appoint board
1118 members and select a chair. If a financial emergency board is
1119 established for a district school board, the State Board of
1120 Education shall appoint board members and select a chair. The
1121 financial emergency board shall adopt such rules as are
1122 necessary for conducting board business. The board may:

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1123 a. Make such reviews of records, reports, and assets of
1124 the local governmental entity or the district school board as
1125 are needed.

1126 b. Consult with officials and auditors of the local
1127 governmental entity or the district school board and the
1128 appropriate state officials regarding any steps necessary to
1129 bring the books of account, accounting systems, financial
1130 procedures, and reports of the local governmental entity or the
1131 district school board into compliance with state requirements.

1132 c. Review the operations, management, efficiency,
1133 productivity, and financing of functions and operations of the
1134 local governmental entity or the district school board.

1135 d. Consult with other governmental entities for the
1136 consolidation of all administrative direction and support
1137 services, including, but not limited to, services for asset
1138 sales, economic and community development, building inspections,
1139 parks and recreation, facilities management, engineering and
1140 construction, insurance coverage, risk management, planning and
1141 zoning, information systems, fleet management, and purchasing.

1142 2. The recommendations and reports made by the financial
1143 emergency board must be submitted to the Governor for local
1144 governmental entities or to the Commissioner of Education and
1145 the State Board of Education for district school boards for
1146 appropriate action.

1147 (h) Requiring and approving a plan, to be prepared by
1148 officials of the local governmental entity or the district

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1149 school board in consultation with the appropriate state
1150 officials, prescribing actions that will cause the local
1151 governmental entity or district school board to no longer be
1152 subject to this section. The plan must include, but need not be
1153 limited to:

1154 1. Provision for payment in full of obligations outlined
1155 in subsection (1), designated as priority items, which are
1156 currently due or will come due.

1157 2. Establishment of priority budgeting or zero-based
1158 budgeting in order to eliminate items that are not affordable.

1159 3. The prohibition of a level of operations which can be
1160 sustained only with nonrecurring revenues.

1161 4. Provisions implementing the consolidation, sourcing, or
1162 discontinuance of all administrative direction and support
1163 services, including, but not limited to, services for asset
1164 sales, economic and community development, building inspections,
1165 parks and recreation, facilities management, engineering and
1166 construction, insurance coverage, risk management, planning and
1167 zoning, information systems, fleet management, and purchasing.

1168 Section 30. Subsection (2) of section 1002.455, Florida
1169 Statutes, is amended to read:

1170 1002.455 Student eligibility for K-12 virtual
1171 instruction.—

1172 (2) A student is eligible to participate in virtual
1173 instruction if:

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1174 (a) The student spent the prior school year in attendance
1175 at a public school in the state and was enrolled and reported by
1176 the school district for funding during October and February for
1177 purposes of the Florida Education Finance Program surveys;

1178 (b) The student is a dependent child of a member of the
1179 United States Armed Forces who was transferred within the last
1180 12 months to this state from another state or from a foreign
1181 country pursuant to a permanent change of station order;

1182 (c) The student was enrolled during the prior school year
1183 in a virtual instruction program under s. 1002.45 or a full-time
1184 Florida Virtual School program under s. 1002.37(9)(a) ~~s.~~
1185 ~~1002.37(8)(a)~~;

1186 (d) The student has a sibling who is currently enrolled in
1187 a virtual instruction program and the sibling was enrolled in
1188 that program at the end of the prior school year;

1189 (e) The student is eligible to enter kindergarten or first
1190 grade; or

1191 (f) The student is eligible to enter grades 2 through 5
1192 and is enrolled full-time in a school district virtual
1193 instruction program, virtual charter school, or the Florida
1194 Virtual School.

1195 Section 31. The Legislature finds that a proper and
1196 legitimate state purpose is served when internal controls are
1197 established to prevent and detect fraud, waste, and abuse and to
1198 safeguard and account for government funds and property.

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Amendment No. 1

1199 Therefore, the Legislature determines and declares that this act
1200 fulfills an important state interest.

1201 Section 32. This act shall take effect October 1, 2015.

1202

1203 -----

1204

T I T L E A M E N D M E N T

1205

Remove everything before the enacting clause and insert:

1206

A bill to be entitled

1207

An act relating to government accountability; amending

1208

s. 11.40, F.S.; specifying that the Governor, the

1209

Commissioner of Education, or the designee of the

1210

Governor or commissioner may notify the Legislative

1211

Auditing Committee of an entity's failure to comply

1212

with certain auditing and financial reporting

1213

requirements; amending s. 11.45, F.S.; revising and

1214

providing definitions; excluding water management

1215

districts from certain audit requirements; removing a

1216

cross-reference; authorizing the Auditor General to

1217

conduct audits of tourist development councils and

1218

county tourism promotion agencies; revising reporting

1219

requirements applicable to the Auditor General;

1220

amending s. 28.35, F.S.; revising reporting

1221

requirements applicable to the Florida Clerks of Court

1222

Operations Corporation; amending s. 43.16, F.S.;

1223

revising the responsibilities of the Justice

1224

Administrative Commission, each state attorney, each

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. CS/HB 1063 (2015)

Amendment No. 1

1225 public defender, a criminal conflict and civil
1226 regional counsel, a capital collateral regional
1227 counsel, and the Guardian Ad Litem Program to include
1228 the establishment and maintenance of certain internal
1229 controls; amending s. 112.31455, F.S.; correcting a
1230 cross-reference; revising provisions governing
1231 collection methods for unpaid automatic fines for
1232 failure to timely file disclosure of financial
1233 interests to include school districts; creating s.
1234 112.31456, F.S.; authorizing the Commission on Ethics
1235 to seek wage garnishment of certain individuals to
1236 satisfy unpaid fines; authorizing the commission to
1237 refer unpaid fines to a collection agency;
1238 establishing a statute of limitations with respect to
1239 the collection of an unpaid fine; amending s.
1240 112.3261, F.S.; conforming provisions to changes made
1241 by the act; expanding the types of governmental
1242 entities that are subject to lobbyist registration
1243 requirements; requiring a governmental entity to
1244 create a lobbyist registration form; amending ss.
1245 129.03, 129.06, 166.241, and 189.016, F.S.; requiring
1246 counties, municipalities, and special districts to
1247 maintain certain budget documents on the entities'
1248 websites for a specified period; amending s. 215.425,
1249 F.S.; defining the term "public funds"; requiring a
1250 unit of government to investigate and take necessary

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COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. CS/HB 1063 (2015)

Amendment No. 1

1251 action to recover prohibited compensation; specifying
1252 methods of recovery and liability for unintentional
1253 and willful violations; providing a penalty;
1254 specifying applicability of procedures regarding
1255 suspension and removal of an officer who commits a
1256 willful violation; establishing eligibility criteria
1257 and amounts for rewards; specifying circumstances
1258 under which an employee has a cause of action under
1259 the Whistle-blower's Act; establishing causes of
1260 action if a unit of government fails to recover
1261 prohibited compensation within a certain timeframe;
1262 amending s. 215.86, F.S.; revising management systems
1263 and controls to be employed by each state agency and
1264 the judicial branch; amending s. 215.97, F.S. ;
1265 revising the definition of the term "audit threshold";
1266 authorizing the Auditor General to recommend certain
1267 statutory changes to the Legislature; amending s.
1268 215.985, F.S.; revising the requirements for a monthly
1269 financial statement provided by a water management
1270 district; amending s. 218.32, F.S.; revising the
1271 requirements of the annual financial audit report of a
1272 local governmental entity; authorizing the Department
1273 of Financial Services to request additional
1274 information from a local governmental entity;
1275 requiring a local governmental entity to respond to
1276 such requests within a specified timeframe; requiring

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COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. CS/HB 1063 (2015)

Amendment No. 1

1277 the department to notify the Legislative Auditing
1278 Committee of noncompliance; amending s. 218.33, F.S.;
1279 requiring local governmental entities to establish and
1280 maintain internal controls; amending s. 218.39, F.S.;
1281 requiring an audited entity to respond to audit
1282 recommendations under specified circumstances;
1283 amending s. 218.391, F.S.; revising the composition of
1284 an audit committee; prohibiting an audit committee
1285 member from being an employee, chief executive
1286 officer, or chief financial officer of the respective
1287 governmental entity; requiring the chair of an audit
1288 committee to execute an affidavit affirming compliance
1289 with auditor selection procedures; prescribing
1290 procedures in the event of noncompliance with auditor
1291 selection procedures; amending s. 288.92, F.S.;
1292 prohibiting specified officers and board members of
1293 Enterprise Florida, Inc., from representing a person
1294 or entity for compensation before Enterprise Florida,
1295 Inc., and associated entities thereof for a specified
1296 timeframe; amending s. 288.9604, F.S.; prohibiting a
1297 director of the Florida Development Finance
1298 Corporation from representing a person or entity for
1299 compensation before the corporation for a specified
1300 timeframe; amending s. 373.536, F.S.; deleting
1301 obsolete language; requiring water management
1302 districts to maintain certain budget documents on the

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COMMITTEE/SUBCOMMITTEE AMENDMENT



Bill No. CS/HB 1063 (2015)

Amendment No. 1

1303 districts' websites for a specified period; amending
1304 s. 1002.33, F.S.; revising the responsibilities of the
1305 governing board of a charter school to include the
1306 establishment and maintenance of internal controls;
1307 amending s. 1002.37, F.S.; requiring completion of an
1308 annual financial audit of the Florida Virtual School;
1309 specifying audit requirements; requiring an audit
1310 report to be submitted to the board of trustees of the
1311 Florida Virtual School and the Auditor General;
1312 removing obsolete provisions; amending s. 1010.01,
1313 F.S.; requiring each school district, Florida College
1314 System institution, and state university to establish
1315 and maintain certain internal controls; amending s.
1316 1010.30, F.S.; requiring a district school board,
1317 Florida College System institution board of trustees,
1318 or university board of trustees to respond to audit
1319 recommendations under certain circumstances; amending
1320 ss. 68.082, 68.083, 218.503, and 1002.455, F.S.;
1321 conforming provisions to changes made by the act;
1322 declaring that the act fulfills an important state
1323 interest; providing an effective date.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 1127 Insurance Fraud
SPONSOR(S): Insurance & Banking Subcommittee, Sullivan
TIED BILLS: IDEN./SIM. **BILLS:** CS/SB 1306

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Insurance & Banking Subcommittee	12 Y, 0 N, As CS	Lloyd	Cooper
2) Appropriations Committee		Keith 	Leznoff 
3) Health & Human Services Committee			

SUMMARY ANALYSIS

The Department of Financial Services (DFS) is responsible for regulating certain insurance activities under the Insurance Code (such as eligibility and conduct of insurance agents and agencies and policing fraud). The DFS, Division of Insurance Fraud (DIF), is charged with investigating fraudulent insurance activities and employs sworn law enforcement investigators with arrest powers. While health care facilities operating in the state are generally licensed and regulated by the Agency for Health Care Administration (AHCA), the DIF has the authority to police fraudulent insurance claims and activities that may occur in health care facilities.

Health care clinics are regulated under the Health Care Clinic Act. The Act's purpose is to "provide for the licensure, establishment, and enforcement of basic standards for health care clinics and to provide administrative oversight by the Agency for Health Care Administration." A "clinic" under the act is defined as "an entity where health care services are provided to individuals and which tenders charges for reimbursement for such services, including a mobile clinic and a portable equipment provider." However, there is an extensive list of entities that are exempt from the definition and licensure requirements established by the act. There are 1,849 licensed health care clinics and 10,009 clinics that have received a certificate of exemption. Despite the availability of an exemption, "an entity shall be deemed a clinic and must be licensed under this [the Health Care Clinic Act] in order to receive reimbursement under the Florida Motor Vehicle No-Fault Law, ss. 627.730-627.7405, unless exempted under s. 627.736(5)(h)." The list of exempt clinics under the No-Fault Law is much shorter and includes clinics owned, operated by, or affiliated with separately licensed facilities or providers.

The charges and reimbursement claims made by an unlicensed health care clinic operating in violation of statute are unlawful, noncompensable, and unenforceable. The bill expands the effect of this provision to include charges and reimbursement claims by clinics that are violating AHCA rules. The bill expressly identifies such prohibited charging and reimbursement claiming as theft, regardless of whether payments are made.

Section 400.993, F.S., and subsection 400.9935(4), F.S., establish offenses related to unlicensed clinic activities that are punishable as a felony. The bill combines these provisions into a single subsection of statute and establishes an additional felony offense for knowingly failing to update certain required information within 21 days.

The DIF is authorized to establish a direct-support organization to support the prosecution, investigation, and prevention of motor vehicle insurance fraud. The Automobile Insurance Fraud Strike Force (Strike Force) filed its incorporation with the Department of State on April 25, 2012. The Strike Force has engaged in limited organizational activity during its existence. The bill repeals the statute authorizing the Strike Force. It also removes cross-references regarding Strike Force deposits to and appropriations from the Insurance Regulatory Trust Fund. The DIF's rulemaking authority related to the Strike Force is removed.

The bill amends the Criminal Punishment Code to reflect the changes made by the bill.

The Criminal Justice Impact Conference (CJIC) met April 1, 2015 and determined this bill will have an insignificant impact on state prison beds. According to the CJIC, an insignificant impact estimates that this bill may increase the state's prison bed population by less than 10 inmates annually.

The bill is effective July 1, 2015.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

The Department of Financial Services (DFS) is responsible for regulating the certain insurance activities under the Insurance Code¹ (such as eligibility and conduct of insurance agents and agencies and policing fraud). The Financial Services Commission and Office of Insurance Regulation also have responsibilities concerning insurance related to licensing insurance companies, ratemaking, and market conduct, among other things. The DFS is required to maintain a Division of Insurance Fraud (DIF).² The DIF is charged with investigating all manner of fraudulent insurance activities and employs armed law enforcement officers with statewide authority and arrest powers.³ Annual reports of the DIF and other public record information, including summaries of fraud referral, investigation, arrests and convictions, are available on the DIF's web site.⁴ While the many types of health care facilities operating in the state are generally licensed and regulated by the Agency for Health Care Administration (AHCA), the DIF has the authority to police fraudulent insurance claims and activities that may occur among health care facilities.

Health Care Clinic Licensing, Charges by Unlicensed Clinics, and Criminal Penalties

Licensing

Health care clinics are regulated under the Health Care Clinic Act.⁵ The purpose of the Act is to "provide for the licensure, establishment, and enforcement of basic standards for health care clinics and to provide administrative oversight by the Agency for Health Care Administration."⁶ A "clinic" under the act is defined as "an entity where health care services are provided to individuals and which tenders charges for reimbursement for such services, including a mobile clinic and a portable equipment provider."⁷ However, there is an extensive list of entities that are exempt from the definition and licensure requirements established by the act.⁸ According to the AHCA web site,⁹ there are 1,849 licensed Health Care Clinics and 10,009 clinics that have voluntarily received a certificate of exemption from Health Care Clinic licensure.^{10, 11}

Despite the availability of an exemption to clinic licensure, "an entity shall be deemed a clinic and must be licensed under this part in order to receive reimbursement under the Florida Motor Vehicle No-Fault Law, ss. 627.730-627.7405, unless exempted under s. 627.736(5)(h)."¹² The list of exempt clinics under the No-Fault Law is much shorter and includes clinics owned, operated by, or affiliated with separately licensed facilities or providers. The following entities do not have to be licensed as a health care clinic to make charges or receive reimbursement under the No-Fault Law:

- An entity wholly owned by a physician licensed under chapter 458 or chapter 459, or by the physician and the spouse, parent, child, or sibling of the physician;

¹ Chapters 624-632, 634, 635, 636, 641, 642, 648, and 651 constitute the Florida Insurance Code. Section 624.01, F.S.

² Section 20.121(2)(e), F.S.

³ Section 626.989, F.S.

⁴ <http://www.myfloridacfo.com/division/fraud/>. (Last viewed April 3, 2015)

⁵ Part X, chapter 400, F.S.

⁶ Section 400.990(2), F.S.

⁷ Section 400.9905(4), F.S.

⁸ Paragraphs 400.9905(4)(a) through (n), F.S.

⁹ <http://www.floridahealthfinder.gov/facilitylocator/FacilitySearch.aspx>.

¹⁰ Data as of March 23, 2015, obtained from <http://www.floridahealthfinder.gov/facilitylocator/FacilitySearch.aspx>, with search limited to Facility/Provider Type - "Health Care Clinic" or "Health Care Clinic Exemption." (Last viewed April 3, 2015)

¹¹ A Health Care Clinic that is exempt from the licensure requirements of 400.9905, F.S., may choose to obtain a certificate of exemption from the AHCA. Rule 59A-33.006, F.A.C.

¹² Section 400.9905(4), F.S.

- An entity wholly owned by a dentist licensed under chapter 466, or by the dentist and the spouse, parent, child, or sibling of the dentist;
- An entity wholly owned by a chiropractic physician licensed under chapter 460, or by the chiropractic physician and the spouse, parent, child, or sibling of the chiropractic physician;
- A hospital or ambulatory surgical center licensed under chapter 395;
- An entity that wholly owns or is wholly owned, directly or indirectly, by a hospital or hospitals licensed under chapter 395; or
- An entity that is a clinical facility affiliated with an accredited medical school at which training is provided for medical students, residents, or fellows.

Charges by Unlicensed Clinics

The charges and reimbursement claims made by a health care clinic that is required to be licensed under ss. 400.990-995, F.S., but is not licensed or is operating in violation of the referenced statutes, are unlawful, noncompensable, and unenforceable. The bill includes health care clinics that are operating in violation of AHCA rules in this provision. In addition, the bill applies this standard whether or not the charge or claim is paid. The bill expressly defines the making of such charges or claims as theft within the meaning of s. 812.014, F.S., and subject to the punishments found therein.¹³ Depending upon the circumstances, theft is punished as a misdemeanor of the first or second degree or a felony of the first, second, or third degree.¹⁴ This does not establish a new criminal offense; rather, it makes it plain that such activities are criminal theft.

Criminal Penalties

Section 400.993, F.S., and subsection 400.9935(4), F.S., establishes offenses related to unlicensed clinic activities that are punishable as a felony. A person who offers or advertises unlicensed health care services, performs unlicensed health care clinic services, or owns, operates, or maintains an unlicensed health care clinic, as specified in s. 408.812, F.S., commits a felony of the third degree.¹⁵ A second or subsequent such offense is a second degree felony. Also, knowingly filing false or misleading information in a license application or renewal application for health clinic licensure, including information related to an applicable rule, is a third degree felony. To help identify unlicensed clinic activity, health care providers, who know of an unlicensed health care clinic, are required to report such clinics to the AHCA.¹⁶ Those providers that fail to do so, when they knew or should have known that the clinic was unlicensed, must be reported to their licensing board.¹⁷

The bill consolidates these existing criminal offense provisions into a single subsection of statute by repealing s. 400.993, F.S., and revising subsection 400.9935(4), F.S.

The bill creates a new third degree felony offense applicable to any person who knowingly fails to report a change in information contained in the most recent health care clinic license application or a change regarding the required insurance or bonds.^{18, 19} Such changes must be reported within 21 days of their occurrence.²⁰

¹³ Section 812.014(1), F.S., defines theft as follows:

- (1) A person commits theft if he or she knowingly obtains or uses, or endeavors to obtain or to use, the property of another with intent to, either temporarily or permanently:
 - (a) Deprive the other person of a right to the property or a benefit from the property.
 - (b) Appropriate the property to his or her own use or to the use of any person not entitled to the use of the property.

¹⁴ Section 812.014, F.S.

¹⁵ Felonies are punished under ss. 775.082, 775.083, or 775.084, F.S.

¹⁶ Section 400.993(3), F.S.

¹⁷ Individual health care providers are regulated by one or more of the boards at the Department of Health.

¹⁸ The required reports go to the AHCA. Section 400.810, F.S.

¹⁹ Section 408.810(3), F.S. There are no express insurance requirements for health care clinic licensure, but an applicant can offer a bond of at least \$500,000, payable to the AHCA, as surety for compliance with the law, as an alternative to showing the financial

Direct-Support Organization to Fight Automobile Insurance Fraud

The DIF is authorized to establish a direct-support organization to support the prosecution, investigation, and prevention of motor vehicle insurance fraud, known as the "Automobile Insurance Fraud Strike Force" (Strike Force).²¹ The Strike Force is a not-for-profit corporation incorporated under ch. 617, F.S. It is authorized to raise funds, conduct programs and activities, hold, invest, and administer assets in its name, and make grants and expenditures to state attorneys' offices, the statewide prosecutor, the AHCA, and the Department of Health to be used exclusively to prosecute, investigate, or prevent motor vehicle insurance fraud. The Strike Force may make grants and expenditures to the extent that they do not interfere with prosecutorial independence or otherwise create conflicts of interest that threaten the success of prosecutions. The Strike Force is precluded from engaging in lobbying activities or from using grants and expenditures for advertising using the likeness or name of any elected official.

The Strike Force is required to operate under a written contract with the DIF, which must provide for:

- DIF approval of the Strike Force's articles of incorporation and bylaws, and its annual budget (which begins on July 1 and ends on June 30th of the following year).
- DIF certification of the Strike Force's compliance with contract terms and that it is acting in a manner consistent with its goals and purposes.
- Allocation of funds to address motor vehicle insurance fraud, and reversion of moneys and property to DIF if the Strike Force ceases to exist, or to the state if DIF ceases to exist.
- Criteria to be used by the Strike Force's board of directors in evaluating the effectiveness of funding to combat insurance fraud.
- Disclosure of material provisions of the contract, including disclosure on all promotional and fundraising publications of the Strike Force.

The Strike Force's board of directors consists of 11 members as follows: the Chief Financial Officer (CFO) or a designee of the CFO, who serves as the chair; two state attorneys (one appointed by the CFO and the other by the Attorney General); two representatives of motor vehicle insurers appointed by the CFO; two representatives of local law enforcement agencies (one appointed by the CFO and the other by the Attorney General); two representatives of the types of health care providers who regularly make claims for PIP benefits (one appointed by Speaker of the House of Representatives and one appointed by the President of the Senate); a private attorney that has experience representing PIP claimants (appointed by the President of the Senate); and a private attorney with experience representing PIP insurers (appointed by the Speaker of the House of Representatives).

The DFS is required to adopt rules prescribing the procedures by which the Strike Force is to be governed.²² For regulatory purposes, insurer contributions to the Strike Force are allowed as appropriate business expenses.²³ The Strike Force may place its receipts in a separate depository account in its name, subject to its contract with DIF. Any moneys that DIF receives from the Strike Force are required to be deposited into the Insurance Regulatory Trust Fund.²⁴

responsibility required under s. 400.810(8), F.S. The AHCA has implemented the financial responsibility requirements for licensure through rule 59A-35.062, F.A.C.

²⁰ Id.

²¹ Section 626.9895(2), F.S.

²² Section 626.9895(5)(c), F.S. The authorized rules were adopted as Chapter 69D-3, F.A.C.

²³ Section 626.9895(6), F.S.

²⁴ Section 626.9895(7), F.S.

The Strike Force filed its incorporation with the Department of State on April 25, 2012. The Strike Force has engaged in limited organizational activity during its existence.²⁵ The DFS reports²⁶ that the Strike Force has not: taken in any donations, paid any grants, established a bank account,²⁷ or made any transfers into the Insurance Regulatory Trust Fund.

The bill repeals the statute authorizing the Strike Force. It also removes cross-references to the Strike Force's authorizing statute regarding deposits to and appropriations from the Insurance Regulatory Trust Fund for Strike Force purposes. The DIF loses its rulemaking authority related to the Strike Force.

Criminal Punishment Code Offense Severity Ranking Chart

The Criminal Punishment Code²⁸ applies to sentencing for felony offenses committed on or after October 1, 1998. Criminal offenses are ranked in the "offense severity ranking chart"²⁹ from level one (least severe) to level ten (most severe) and are assigned points based on the severity of the offense as determined by the legislature.³⁰ A defendant's sentence is calculated based on points assigned for factors (e.g., the offense for which the defendant is being sentenced and injury to the victim). The points are added in order to determine the "lowest permissible sentence" for the offense.

The bill amends the offense severity ranking chart to reflect the changes made by the bill. The titles relevant offenses are updated consistent with the bill and additions are made to the chart consistent with the bill. Filing a false license application or other required information or failing to report information³¹ is classified as a Level 3 offense.³² A second or subsequent conviction of operating a clinic, or offering services requiring licensure, without a license³³ is classified as a Level 6 offense.³⁴ While such second or subsequent offenses are currently second degree felonies under s. 400.993(2), F.S., this offense does not appear on the offense severity ranking chart and is added to the chart by the bill.

B. SECTION DIRECTORY:

Section 1: Repeals s. 400.993, F.S., relating to unlicensed clinics; reporting.

Section 2: Amends s. 40.9935, F.S., relating to clinic responsibilities.

Section 3: Amends s. 626.9894, F.S., relating to gifts and grants.

Section 4: Repeals s. 626.9895, F.S., relating to motor vehicle insurance fraud direct-support organization.

Section 5: Amends s. 921.0022, F.S., relating to Criminal Punishment Code; offense severity chart.

Section 6: Provides an effective date of July 1, 2015.

²⁵ According to its web site, <http://www.myfloridacfo.com/autofraud/meetings.html>. (Last viewed March 23, 2013), the Strike Force held four board meetings; August 7, 2012, January 24, 2013, July 9, 2013, and December 9, 2013.

²⁶ Email from Legislative Affairs, Department of Financial Services, Re: HB 1127 – new proposed strike all, dated March 23, 2015.

²⁷ The minutes of the board of directors of the Strike Force reflect that a depository account was authorized, but do not indicate where or if the account was established. Minutes of the board, July 9, 2013, Automobile Insurance Fraud Strike Force. Strike Force records are available on the Internet at <http://www.myfloridacfo.com/autofraud/index.htm>. (Last viewed April 3, 2015)

²⁸ Section 921.002, F.S.

²⁹ Section 921.0022, F.S.

³⁰ Section 921.0024, F.S.

³¹ Section 400.9935(4)(e), F.S., as revised by the bill.

³² Level 3 offenses carry 16 sentencing points for the primary offense and 2.4 sentencing points for each additional offense. Section 921.0024(1)(a), F.S.

³³ Section 400.9935(4)(c), F.S., as revised by the bill.

³⁴ Level 6 offenses carry 36 sentencing points for the primary offense and 18 sentencing points for each additional offense. Section 921.0024(1)(a), F.S.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

The Criminal Justice Impact Conference (CJIC) met April 1, 2015 and determined this bill will have an insignificant impact on state prison beds. According to the CJIC, an insignificant impact estimates that this bill may increase the state's prison bed population by less than 10 inmates annually.³⁵

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill has an indeterminate impact on the private sector. The private sector will benefit from increased enforcement activities, including restitution orders, due to the criminal penalty provisions of the bill. Savings realized by the insurance industry should be passed on to consumers.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to: require counties or municipalities to spend funds or take an action requiring the expenditure of funds; reduce the authority that counties or municipalities have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The Department of Financial Services, Division of Insurance Fraud, loses the rulemaking authority to adopt rules related to the Strike Force.

³⁵ Criminal Justice Impact Conference Results can be located at:

<http://edr.state.fl.us/Content/conferences/criminaljusticeimpact/CSHB1127.pdf> (last accessed April 6, 2013)

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DATE: 4/3/2015

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On March 25, 2015, the Insurance & Banking Subcommittee considered a proposed committee substitute and reported the bill favorably as a committee substitute. The committee substitute reflects multiple changes, as follows:

- Removed a revision to the Insurance Code that would have required insurers in the state to submit required information annually to the Department of Financial Services, Division of Insurance Fraud, concerning fraud investigation activities and the structure, operations, and training of required Special Investigation Units.
- Removed a provision that would have required health care clinics that are exempt from licensure to obtain a certificate of exemption from the Agency for Health Care Administration in order to receive reimbursement under the Florida Motor Vehicle No-Fault Law.

The staff analysis has been updated to reflect the committee substitute.

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A bill to be entitled
 An act relating to insurance fraud; repealing s.
 400.993, F.S., relating to criminal penalties
 applicable to unlicensed health care clinics and the
 reporting of unlicensed health care clinics; amending
 s. 400.9935, F.S.; revising provisions related to
 unlawful, noncompensable, and unenforceable health
 care clinic charges or reimbursement claims; revising
 and providing criminal penalties for making unlawful
 charges, operating or failing to report an unlicensed
 clinic, filing false or misleading information related
 to a clinic license application, and other violations;
 defining the term "convicted"; amending s. 626.9894,
 F.S.; conforming provisions to changes made by the
 act; repealing s. 626.9895, F.S., relating to the
 establishment of a motor vehicle insurance fraud
 direct-support organization; amending s. 921.0022,
 F.S.; conforming provisions of the offense severity
 ranking chart of the Criminal Punishment Code to
 changes made by the act; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Section 400.993, Florida Statutes, is repealed.

Section 2. Subsections (3) and (4) of section 400.9935,
 Florida Statutes, are amended to read:

27 400.9935 Clinic responsibilities.-

28 (3) A charge ~~All charges~~ or reimbursement claim ~~claims~~
 29 made by or on behalf of a clinic that is required to be licensed
 30 under this part, but that is not so licensed, or that is
 31 otherwise operating in violation of this part or rules of the
 32 agency, regardless of whether a service is rendered or whether
 33 the charge or reimbursement claim is paid, is an, ~~are~~ unlawful
 34 charge ~~charges~~, and is ~~therefore~~ are noncompensable and
 35 unenforceable. A person who knowingly makes or causes to be made
 36 an unlawful charge commits theft within the meaning of, and
 37 punishable as provided in, s. 812.014.

38 (4) (a) Regardless of whether notification is provided by
 39 the agency under ~~In addition to the requirements of~~ s. 408.812,
 40 a any person commits a felony of the third degree, punishable as
 41 provided in s. 775.082, s. 775.083, or s. 775.084, if the person
 42 knowingly:

43 1. Establishes, owns, operates, manages, or maintains
 44 establishing, operating, or managing an unlicensed clinic
 45 ~~otherwise~~ required to be licensed under this part or part II of
 46 chapter 408; ~~or~~

47 2. Offers or advertises services that require licensure as
 48 a clinic under this part or part II of chapter 408 without a
 49 license.

50 (b) If the agency provides notification under s. 408.812
 51 of, or if a person is arrested for, a violation of subparagraph
 52 (a)1. or subparagraph (a)2., each day during which a violation

53 of subparagraph (a)1. or subparagraph (a)2. occurs constitutes a
 54 separate offense.

55 (c) A person convicted of a second or subsequent violation
 56 of subparagraph (a)1. or subparagraph (a)2. commits a felony of
 57 the second degree, punishable as provided in s. 775.082, s.
 58 775.083, or s. 775.084. If the agency provides notification of,
 59 or if a person is arrested for, a violation of this paragraph,
 60 each day that this paragraph is violated thereafter constitutes
 61 a separate offense. For purposes of this paragraph, the term
 62 "convicted" means a determination of guilt which is the result
 63 of a trial or the entry of a plea of guilty or nolo contendere,
 64 regardless of whether adjudication is withheld.

65 (d) In addition to the requirements of part II of chapter
 66 408, a health care provider who is aware of the operation of an
 67 unlicensed clinic shall report the clinic to the agency. The
 68 agency shall report to the provider's licensing board a failure
 69 to report a clinic that the provider knows or has reasonable
 70 cause to suspect is unlicensed.

71 (e) A person commits a felony of the third degree,
 72 punishable as provided in s. 775.082, s. 775.083, or s. 775.084,
 73 if the ~~any~~ person ~~who~~ knowingly:

74 1. Files a false or misleading license application or
 75 license renewal application, ~~or~~ files false or misleading
 76 information related to such application or agency ~~department~~
 77 rule; or

78 2. Fails to report information to the agency as required

79 ~~by s. 408.810(3), commits a felony of the third degree,~~
 80 ~~punishable as provided in s. 775.082, s. 775.083, or s. 775.084.~~

81 Section 3. Subsection (5) of section 626.9894, Florida
 82 Statutes, is amended to read:

83 626.9894 Gifts and grants.—

84 (5) Notwithstanding s. 216.301 and pursuant to s. 216.351,
 85 any balance of moneys deposited into the Insurance Regulatory
 86 Trust Fund pursuant to this section ~~or s. 626.9895~~ remaining at
 87 the end of any fiscal year is available for carrying out the
 88 duties and responsibilities of the division. The department may
 89 request annual appropriations from the grants and donations
 90 received pursuant to this section ~~or s. 626.9895~~ and cash
 91 balances in the Insurance Regulatory Trust Fund for the purpose
 92 of carrying out its duties and responsibilities related to the
 93 division's anti-fraud efforts, including the funding of
 94 dedicated prosecutors and related personnel.

95 Section 4. Section 626.9895, Florida Statutes, is
 96 repealed.

97 Section 5. Paragraphs (c) and (f) of subsection (3) of
 98 section 921.0022, Florida Statutes, are amended to read:

99 921.0022 Criminal Punishment Code; offense severity
 100 ranking chart.—

101 (3) OFFENSE SEVERITY RANKING CHART

102 (c) LEVEL 3

103

104

	Florida Statute	Felony Degree	Description
105	119.10(2)(b)	3rd	Unlawful use of confidential information from police reports.
106	316.066 (3)(b)-(d)	3rd	Unlawfully obtaining or using confidential crash reports.
107	316.193(2)(b)	3rd	Felony DUI, 3rd conviction.
108	316.1935(2)	3rd	Fleeing or attempting to elude law enforcement officer in patrol vehicle with siren and lights activated.
109	319.30(4)	3rd	Possession by junkyard of motor vehicle with identification number plate removed.
110	319.33(1)(a)	3rd	Alter or forge any certificate of title to a motor vehicle or mobile home.
111	319.33(1)(c)	3rd	Procure or pass title on stolen vehicle.

112	319.33(4)	3rd	With intent to defraud, possess, sell, etc., a blank, forged, or unlawfully obtained title or registration.
113	327.35(2)(b)	3rd	Felony BUI.
114	328.05(2)	3rd	Possess, sell, or counterfeit fictitious, stolen, or fraudulent titles or bills of sale of vessels.
115	328.07(4)	3rd	Manufacture, exchange, or possess vessel with counterfeit or wrong ID number.
116	376.302(5)	3rd	Fraud related to reimbursement for cleanup expenses under the Inland Protection Trust Fund.
117	379.2431 (1)(e)5.	3rd	Taking, disturbing, mutilating, destroying, causing to be destroyed, transferring, selling, offering to sell, molesting, or harassing marine

118	379.2431 (1) (e) 6.	3rd	turtles, marine turtle eggs, or marine turtle nests in violation of the Marine Turtle Protection Act.
119	400.9935(4) <u>(a)</u> <u>or (b)</u>	3rd	Soliciting to commit or conspiring to commit a violation of the Marine Turtle Protection Act.
120	<u>400.9935(4) (e)</u>	<u>3rd</u>	Operating a clinic, <u>or offering</u> <u>services requiring licensure,</u> without a license or filing false license application or other required information.
121	440.1051(3)	3rd	<u>Filing a false license</u> <u>application or other required</u> <u>information or failing to report</u> <u>information.</u>
122			False report of workers' compensation fraud or retaliation for making such a report.

123	501.001(2)(b)	2nd	Tampers with a consumer product or the container using materially false/misleading information.
124	624.401(4)(a)	3rd	Transacting insurance without a certificate of authority.
125	624.401(4)(b)1.	3rd	Transacting insurance without a certificate of authority; premium collected less than \$20,000.
126	626.902(1)(a) & (b)	3rd	Representing an unauthorized insurer.
127	697.08	3rd	Equity skimming.
128	790.15(3)	3rd	Person directs another to discharge firearm from a vehicle.
129	806.10(1)	3rd	Maliciously injure, destroy, or interfere with vehicles or equipment used in firefighting.

130	806.10(2)	3rd	Interferes with or assaults firefighter in performance of duty.
131	810.09(2)(c)	3rd	Trespass on property other than structure or conveyance armed with firearm or dangerous weapon.
132	812.014(2)(c)2.	3rd	Grand theft; \$5,000 or more but less than \$10,000.
133	812.0145(2)(c)	3rd	Theft from person 65 years of age or older; \$300 or more but less than \$10,000.
134	815.04(5)(b)	2nd	Computer offense devised to defraud or obtain property.
135	817.034(4)(a)3.	3rd	Engages in scheme to defraud (Florida Communications Fraud Act), property valued at less than \$20,000.
136	817.233	3rd	Burning to defraud insurer.

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137	817.234 (8) (b) & (c)	3rd	Unlawful solicitation of persons involved in motor vehicle accidents.
138	817.234(11) (a)	3rd	Insurance fraud; property value less than \$20,000.
139	817.236	3rd	Filing a false motor vehicle insurance application.
140	817.2361	3rd	Creating, marketing, or presenting a false or fraudulent motor vehicle insurance card.
141	817.413(2)	3rd	Sale of used goods as new.
142	817.505(4)	3rd	Patient brokering.
143	828.12(2)	3rd	Tortures any animal with intent to inflict intense pain, serious physical injury, or death.
	831.28(2) (a)	3rd	Counterfeiting a payment instrument with intent to defraud or possessing a counterfeit payment instrument.

144	831.29	2nd	Possession of instruments for counterfeiting driver licenses or identification cards.
145	838.021(3)(b)	3rd	Threatens unlawful harm to public servant.
146	843.19	3rd	Injure, disable, or kill police dog or horse.
147	860.15(3)	3rd	Overcharging for repairs and parts.
148	870.01(2)	3rd	Riot; inciting or encouraging.
149	893.13(1)(a)2.	3rd	Sell, manufacture, or deliver cannabis (or other s. 893.03(1)(c), (2)(c)1., (2)(c)2., (2)(c)3., (2)(c)5., (2)(c)6., (2)(c)7., (2)(c)8., (2)(c)9., (3), or (4) drugs).
150	893.13(1)(d)2.	2nd	Sell, manufacture, or deliver s. 893.03(1)(c), (2)(c)1., (2)(c)2., (2)(c)3., (2)(c)5.,

			(2)(c)6., (2)(c)7., (2)(c)8., (2)(c)9., (3), or (4) drugs within 1,000 feet of university.
151	893.13(1)(f)2.	2nd	Sell, manufacture, or deliver s. 893.03(1)(c), (2)(c)1., (2)(c)2., (2)(c)3., (2)(c)5., (2)(c)6., (2)(c)7., (2)(c)8., (2)(c)9., (3), or (4) drugs within 1,000 feet of public housing facility.
152	893.13(6)(a)	3rd	Possession of any controlled substance other than felony possession of cannabis.
153	893.13(7)(a)8.	3rd	Withhold information from practitioner regarding previous receipt of or prescription for a controlled substance.
154	893.13(7)(a)9.	3rd	Obtain or attempt to obtain controlled substance by fraud, forgery, misrepresentation, etc.
155	893.13(7)(a)10.	3rd	Affix false or forged label to

156	893.13(7)(a)11.	3rd	package of controlled substance. Furnish false or fraudulent material information on any document or record required by chapter 893.
157	893.13(8)(a)1.	3rd	Knowingly assist a patient, other person, or owner of an animal in obtaining a controlled substance through deceptive, untrue, or fraudulent representations in or related to the practitioner's practice.
158	893.13(8)(a)2.	3rd	Employ a trick or scheme in the practitioner's practice to assist a patient, other person, or owner of an animal in obtaining a controlled substance.
159	893.13(8)(a)3.	3rd	Knowingly write a prescription for a controlled substance for a fictitious person.
160			

161	893.13(8)(a)4.	3rd	Write a prescription for a controlled substance for a patient, other person, or an animal if the sole purpose of writing the prescription is a monetary benefit for the practitioner.
162	918.13(1)(a)	3rd	Alter, destroy, or conceal investigation evidence.
163	944.47 (1)(a)1. & 2.	3rd	Introduce contraband to correctional facility.
164	944.47(1)(c)	2nd	Possess contraband while upon the grounds of a correctional institution.
165	985.721 (f) LEVEL 6	3rd	Escapes from a juvenile facility (secure detention or residential commitment facility).
166			
167			

Florida	Felony	Description
Statute	Degree	

168	316.027(2)(b)	2nd	Leaving the scene of a crash involving serious bodily injury.
169	316.193(2)(b)	3rd	Felony DUI, 4th or subsequent conviction.
170	<u>400.9935(4)(c)</u>	<u>2nd</u>	<u>Operating a clinic, or offering services requiring licensure, without a license.</u>
171	499.0051(3)	2nd	Knowing forgery of pedigree papers.
172	499.0051(4)	2nd	Knowing purchase or receipt of prescription drug from unauthorized person.
173	499.0051(5)	2nd	Knowing sale or transfer of prescription drug to unauthorized person.
174	775.0875(1)	3rd	Taking firearm from law enforcement officer.
175	784.021(1)(a)	3rd	Aggravated assault; deadly

			weapon without intent to kill.
176	784.021(1)(b)	3rd	Aggravated assault; intent to commit felony.
177	784.041	3rd	Felony battery; domestic battery by strangulation.
178	784.048(3)	3rd	Aggravated stalking; credible threat.
179	784.048(5)	3rd	Aggravated stalking of person under 16.
180	784.07(2)(c)	2nd	Aggravated assault on law enforcement officer.
181	784.074(1)(b)	2nd	Aggravated assault on sexually violent predators facility staff.
182	784.08(2)(b)	2nd	Aggravated assault on a person 65 years of age or older.
183	784.081(2)	2nd	Aggravated assault on specified official or employee.

184	784.082(2)	2nd	Aggravated assault by detained person on visitor or other detainee.
185	784.083(2)	2nd	Aggravated assault on code inspector.
186	787.02(2)	3rd	False imprisonment; restraining with purpose other than those in s. 787.01.
187	790.115(2)(d)	2nd	Discharging firearm or weapon on school property.
188	790.161(2)	2nd	Make, possess, or throw destructive device with intent to do bodily harm or damage property.
189	790.164(1)	2nd	False report of deadly explosive, weapon of mass destruction, or act of arson or violence to state property.
190	790.19	2nd	Shooting or throwing deadly

			missiles into dwellings, vessels, or vehicles.
191	794.011(8)(a)	3rd	Solicitation of minor to participate in sexual activity by custodial adult.
192	794.05(1)	2nd	Unlawful sexual activity with specified minor.
193	800.04(5)(d)	3rd	Lewd or lascivious molestation; victim 12 years of age or older but less than 16 years of age; offender less than 18 years.
194	800.04(6)(b)	2nd	Lewd or lascivious conduct; offender 18 years of age or older.
195	806.031(2)	2nd	Arson resulting in great bodily harm to firefighter or any other person.
196	810.02(3)(c)	2nd	Burglary of occupied structure; unarmed; no assault or battery.
197			

198	810.145 (8) (b)	2nd	Video voyeurism; certain minor victims; 2nd or subsequent offense.
199	812.014 (2) (b) 1.	2nd	Property stolen \$20,000 or more, but less than \$100,000, grand theft in 2nd degree.
200	812.014 (6)	2nd	Theft; property stolen \$3,000 or more; coordination of others.
201	812.015 (9) (a)	2nd	Retail theft; property stolen \$300 or more; second or subsequent conviction.
202	812.015 (9) (b)	2nd	Retail theft; property stolen \$3,000 or more; coordination of others.
203	812.13 (2) (c)	2nd	Robbery, no firearm or other weapon (strong-arm robbery).
204	817.4821 (5)	2nd	Possess cloning paraphernalia with intent to create cloned cellular telephones.

F L O R I D A H O U S E O F R E P R E S E N T A T I V E S

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205	825.102(1)	3rd	Abuse of an elderly person or disabled adult.
206	825.102(3)(c)	3rd	Neglect of an elderly person or disabled adult.
207	825.1025(3)	3rd	Lewd or lascivious molestation of an elderly person or disabled adult.
208	825.103(3)(c)	3rd	Exploiting an elderly person or disabled adult and property is valued at less than \$10,000.
209	827.03(2)(c)	3rd	Abuse of a child.
210	827.03(2)(d)	3rd	Neglect of a child.
211	827.071(2) & (3)	2nd	Use or induce a child in a sexual performance, or promote or direct such performance.
212	836.05	2nd	Threats; extortion.
	836.10	2nd	Written threats to kill or do bodily injury.

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213	843.12	3rd	Aids or assists person to escape.
214	847.011	3rd	Distributing, offering to distribute, or possessing with intent to distribute obscene materials depicting minors.
215	847.012	3rd	Knowingly using a minor in the production of materials harmful to minors.
216	847.0135(2)	3rd	Facilitates sexual conduct of or with a minor or the visual depiction of such conduct.
217	914.23	2nd	Retaliation against a witness, victim, or informant, with bodily injury.
218	944.35(3)(a)2.	3rd	Committing malicious battery upon or inflicting cruel or inhuman treatment on an inmate or offender on community supervision, resulting in great

219			bodily harm.
220	944.40	2nd	Escapes.
221	944.46	3rd	Harboring, concealing, aiding escaped prisoners.
222	944.47(1)(a)5.	2nd	Introduction of contraband (firearm, weapon, or explosive) into correctional facility.
223	951.22(1)	3rd	Intoxicating drug, firearm, or weapon introduced into county facility.
224	Section 6. This act shall take effect July 1, 2015.		

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. CS/HB 1127 (2015)

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED _____ (Y/N)

ADOPTED AS AMENDED _____ (Y/N)

ADOPTED W/O OBJECTION _____ (Y/N)

FAILED TO ADOPT _____ (Y/N)

WITHDRAWN _____ (Y/N)

OTHER

1 Committee/Subcommittee hearing bill: Appropriations Committee
2 Representative Sullivan offered the following:

3

4

Amendment

5

Remove line 224 and insert:

6

Section 6. This act shall take effect October 1, 2015.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1247 Alcoholic Beverages
SPONSOR(S): Avila and Berman
TIED BILLS: **IDEN./SIM. BILLS:** HB 823, CS/CS/SB 998

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Business & Professions Subcommittee	10 Y, 3 N	Butler	Luczynski
2) Appropriations Committee		McAuliffe	Leznoff
3) Regulatory Affairs Committee			

SUMMARY ANALYSIS

Powdered alcohol is a product containing alcohol in a powdered form intended for human consumption, usually after being mixed with water to create an alcoholic drink.

The bill prohibits the sale of powdered alcohol or any alcoholic beverage that contains more than 76 percent alcohol by volume.

The bill provides that a person who violates this prohibition by selling powdered alcohol commits a misdemeanor of the first degree. The bill provides that a second violation within five years is a felony of the third degree. A person who violates the prohibition within five years of a first offense may also be treated as a habitual offender, which may result in a term of imprisonment not to exceed 10 years.

The Criminal Justice Impact Conference (CJIC) met March 27, 2015 and determined this bill will have an insignificant impact on state prison beds. This means CJIC estimates that this bill may increase the state's prison bed population by less than 10 inmates annually.

The bill provides an effective date of July 1, 2015.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation

Chapters 561-565 and 567-568, F.S., comprise Florida's Beverage Law. The Division of Alcoholic Beverages and Tobacco (Division), in the Department of Business and Professional Regulation (Department), is responsible for the regulation of the alcoholic beverage industry.¹

The term "alcoholic beverages" is defined by s. 561.01(4)(a), F.S., to mean "distilled spirits and all beverages containing one-half of 1 percent or more alcohol by volume" and that the percentage of alcohol by volume is determined by comparing the volume of ethyl alcohol with all other ingredients in the beverage.

The terms "intoxicating beverage" and "intoxicating liquor" are defined by s. 561.01(5), F.S., to "mean only those alcoholic beverages containing more than 4.007 percent of alcohol by volume."

Liquor and distilled spirits are regulated specifically by ch. 565, F.S. The terms "liquor," "distilled spirits," "spirituous liquors," "spirituous beverages," or "distilled spirituous liquors" by s. 565.01, F.S., to mean:

that substance known as ethyl alcohol, ethanol, or spirits of wine in any form, including all dilutions and mixtures thereof from whatever source or by whatever process produced.

Powdered Alcohol

Powdered alcohol is a product which, when combined with a liquid, produces an alcoholic beverage. The Alcohol and Tobacco Tax and Trade Bureau of the U.S. Department of the Treasury have approved labels for the sale of the powdered alcohol product Palcohol on March 10, 2015.² The manufacturer of Palcohol has indicated that the alcohol produced from a single product is equivalent to the amount of alcohol in a mixed drink.³ The manufacturer of this product does not indicate the actual percentage by volume of alcohol in the six ounces of liquid that are mixed with the powdered alcohol.

It is not clear whether powdered alcohol may be considered an alcoholic beverage under the Beverage Law. According to the Department, while there is no regulation of "distilled spirits in powdered form"⁴ the definition of liquor in s. 565.01, F.S., would include powdered distilled spirits.⁵

The states of Alaska, Louisiana, South Carolina, Vermont, and Virginia have banned the sale of powdered alcohol.⁶ The states of Delaware and Michigan define powdered alcohol as an alcoholic beverage.⁷

¹ s. 561.02, F.S.

² Candice Choi, *Powdered Alcohol Gets Federal Agency's Approval*, ABC NEWS (Mar. 11, 2015), <http://abcnews.go.com/Health/wireStory/powdered-alcohol-federal-agencys-approval-29552087>; PALCOHOL, <http://www.palcohol.com/home.html> (last visited Mar. 19, 2015).

³ *Id.*

⁴ Florida Department of Business and Professional Regulation, Agency Analysis of 2015 House Bill 823/Senate Bill 998, p. 2 (Mar. 12, 2015).

⁵ *Id.*

⁶ See Heather Morton, *Powdered Alcohol 2015 Legislation*, NATIONAL CONFERENCE OF STATE LEGISLATURES (Mar. 11, 2015), <http://www.ncsl.org/research/financial-services-and-commerce/powdered-alcohol-2015-legislation.aspx>.

⁷ *Id.*

Effect of Proposed Changes

The bill creates s. 562.62(1), F.S., to prohibit a person from selling an alcoholic beverage that is intended for human consumption and sold in a powdered form, or that contains more than 76 percent alcohol by volume.

The bill creates s. 562.62(2), F.S., to provide that a person who violates the prohibition in subsection (1) by selling powdered alcohol commits a misdemeanor of the first degree, punishable as provided in s. 775.082, F.S., or s. 775.083, F.S.⁸ The bill provides that a second violation within five years is a felony of the third degree, punishable as provided in s. 775.082, F.S., s. 775.083, F.S., or s.775.084, F.S.⁹

The bill provides an effective date of July 1, 2015.

B. SECTION DIRECTORY:

Section 1 creates s. 562.62, F.S., prohibiting the sale of alcoholic beverages in powdered form and providing penalties.

Section 2 provides an effective date of July 1, 2015.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

The Criminal Justice Impact Conference (CJIC) met March 27, 2015 and determined this bill will have an insignificant impact on state prison beds. This means CJIC estimates that this bill may increase the state's prison bed population by less than 10 inmates annually.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Owners of powdered alcohol products may not sell them in Florida. These products have only recently been approved for sale, and the market for such products is unknown. This should not effect the current sales of any private business, but will prevent the sales of a business that may have otherwise been planning to sell powdered alcohol.

⁸ s. 775.082, F.S., provides that the penalty for a misdemeanor of the first degree is punishable by a term of imprisonment not to exceed one year and s. 775.083, F.S., provides that the penalty for a misdemeanor of the first degree is punishable by a fine not to exceed \$1,000.

⁹ s. 775.082, F.S., provides that a felony of the third degree is punishable by a term of imprisonment not to exceed five years, s. 775.083, F.S., provides that a felony of the third degree is punishable by a fine not to exceed \$5,000, s. 775.084, F.S., provides increased penalties for habitual offenders, and s. 775.084(4)(a), F.S., provides that a habitual felony offender may be sentenced, in the case of a felony of the third degree, for a term of years not exceeding 10.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not Applicable. This bill does not appear to affect county or municipal governments.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

None.

1 A bill to be entitled
 2 An act relating to alcoholic beverages; creating s.
 3 562.62, F.S.; prohibiting the sale of alcoholic
 4 beverages in powdered form or containing more than a
 5 specified percentage of alcohol by volume; providing
 6 penalties; providing an effective date.

7
 8 Be It Enacted by the Legislature of the State of Florida:

9
 10 Section 1. Section 562.62, Florida Statutes, is created to
 11 read:

12 562.62 Sale of powdered alcohol prohibited; maximum
 13 percentage of alcohol by volume; penalties.-

14 (1) A person may not sell an alcoholic beverage that:

15 (a) Is intended for human consumption and is in powdered
 16 form; or



17 (b) Contains more than 76 percent alcohol by volume.

18 (2) A person who violates subsection (1) commits a
 19 misdemeanor of the first degree, punishable as provided in s.
 20 775.082 or s. 775.083. A person who violates subsection (1)
 21 after having been previously convicted of such an offense within
 22 the past 5 years commits a felony of the third degree,
 23 punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

24 Section 2. This act shall take effect July 1, 2015.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 7115 PCB FTC 15-02 Capital Recovery
SPONSOR(S): Finance & Tax Committee, Fant
TIED BILLS: HB 7117 **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Finance & Tax Committee	10 Y, 5 N	Wolfgang	Langston
1) Appropriations Committee		Hawkins 	Leznoff 

SUMMARY ANALYSIS

This bill requires hospital districts and county hospitals to collect and submit to an approved provider under contract with the Department of Financial Services (department) information on claims, and denial of claims, for payment for medical services issued to insurers and governmental entities. Using this information, the approved provider under contract with the department will calculate a "denial rate", which will affect whether the hospital district can levy additional ad valorem taxes or the county hospital can receive additional county funding.

Beginning in the 2017-2018 fiscal year, a hospital district may only levy increased ad valorem taxes, or a county hospital may only receive increased appropriations or ad valorem taxes from the county in the year following the timely submission of its report to the approved provider under contract with the department if one of the following criteria are met:

- The denial rate for the hospital district or county hospital was less than or equal to 10 percent for the reports submitted based on fiscal years 2015-2016, 2017-2018, and 2017-2018 (these reports will impact hospital district or county hospital funding for fiscal years 2017-2018, 2018-2019, and 2019-2020, respectively), or
- The denial rate for the hospital district or county hospital was less than or equal to 7 percent for reports based on fiscal year 2018-2019 and each year thereafter (these reports will impact hospital district or county hospital funding for fiscal year 2020-2021 and each year thereafter); or
- The hospital district or county hospital has reduced its denial rate by 33 percent within the previous three fiscal years and by 66 percent within the five previous fiscal years.

The approved provider under contract with the department will provide the denial rates to the relevant hospital district or county hospital and provide a complete list of the denial rates of all the hospital districts and county hospitals to the Legislature.

On March 27, 2015, the Revenue Estimating Conference (REC) estimated the revenue impacts of this bill. The REC estimates the impact on local government tax revenues is indeterminate negative or zero, contingent on whether or not the affected entities meet the denial rate requirements of the bill. The bill appropriates \$400 thousand in recurring General Revenue in fiscal year 2015-2016 to the department to contract with an approved provider to calculate denial rates and authorizes \$60 thousand in nonrecurring revenue for start-up costs of the program.

This bill may be a county or municipality mandate requiring a two-thirds vote of the membership of the House. See Section III.A.1 of the analysis.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

County Hospitals

Chapter 155, F.S., governs county hospitals. This chapter has been in place since 1941 and governs the way that counties can fund, regulate, and run county hospitals. These statutes specifically authorize county governments to levy ad valorem taxes for hospital capital expenditures¹ and allow the county to “allocate to the hospital funds any other moneys in possession” of the board of county commissioners.²

There are 4 county-operated hospital systems in the state of Florida, including Jackson Memorial, Weems Memorial, Doctors’ Memorial, and The Centers. During the fiscal year ending September 30, 2013, these hospitals received approximately \$360 million in funding from the counties operating them, with the vast majority (\$356.9 million) going to Jackson Memorial.

Counties may also appropriate funds to a hospital not owned or operated by the county, including privately owned hospitals or hospitals owned by special districts.

Special Districts

A “special district” is “a local unit of special purpose... government within a limited boundary, created by general law, special act, local ordinance, or by rule of the Governor and Cabinet.”³ Special districts are created to provide a variety of services, such as mosquito control, beach facilities, children’s services,⁴ fire control and rescue,⁵ drainage control,⁶ or hospital services.

A “dependent special district” is a special district meeting at least one of the following criteria:

- The members of the district governing body are identical to those on the governing body of a county or municipality;
- The members of the governing body are appointed by the governing body of a single county or municipality;
- The members of the district’s governing body may be removed at will by the governing body of a single county or municipality; or
- The district budget is subject to approval or veto by the governing body of a single county or municipality.⁷

An “independent special district” is a special district meeting none of the above four criteria.⁸

Hospital Districts

Hospital districts are a type of special district. Florida has 31 active hospital and healthcare taxing districts, of which 5 are dependent districts and 26 are independent. Nineteen of those districts have the authority to levy ad valorem taxes, including 1 dependent district and 18 independent districts. Hospital districts may consist of one hospital or several hospitals and medical facilities. Additionally,

¹ Section 155.25, F.S.

² Section 155.24, F.S.

³ Section 189.403(1), F.S.

⁴ Section 125.901, F.S.

⁵ Section 191.002, F.S.

⁶ Section 298.01, F.S.

⁷ Section 189.403(2), F.S.

⁸ Section 189.403(3), F.S.

counties have the authority to have their own public hospitals and levy ad valorem taxes to support building and operating those hospitals.

The ad valorem millage rate adopted by hospital districts for Fiscal Year 2014-2015 varies from 0 mills (Citrus County, Gadsden County, Madison County, and Lower Florida Keys) to 3.2908 mills (Hendry County). The taxes associated with the above tax rates vary from \$0 (same list as 0 mill levy) to \$155.7 million (North Broward). The total levy for all districts combined was \$443.5 million for fiscal years ending in 2014.

A substantial portion of the revenues generated by a hospital or medical facility are from charges for patient care that are reimbursed by Medicare, Medicaid, or an insurance company. The claims that hospitals submit to these third party providers are either reimbursed at some contracted rate or denied. Denial can be caused by a wide variety of factors, many of which can be due to errors on the part of the hospital submitting the claim. Hospitals that enact policies and procedures to minimize denials can recover substantial revenues that otherwise might be lost.

The South Broward Hospital District, as one example, has a managed care collections capital recovery approach that has helped its hospitals increase profitability and decrease reliance on ad valorem tax revenues. The district hired a third party to assist in revising their processes in order to reduce the number of denials.⁹

Effect of Proposed Changes

The bill requires that each hospital district or county hospital submit a capital recovery report to the approved provider under contract with the Department of Financial Services (department) within 90 calendar days of the end of the fiscal year, which is defined as the period between October 1 and September 30. The report must contain data on all claims submitted electronically by a county hospital or all medical facilities in a hospital district to a government entity or insurance company for payment during the fiscal year, along with data on the response/payment status of all such claims. A certified public accountant must attest that the report is accurate, complete, and consistent with generally accepted accounting principles.

Each hospital district or county hospital may prepare the report itself, or it may hire an approved provider to prepare the report on its behalf. The report is used by the department's approved provider to calculate a denial rate. The denial rate is defined as the dollar value of all unpaid electronically submitted claims (based on the contracted or published rate for such claims) as a percentage of the total claims submitted electronically during the same time period. Any claims made to an insurer that has declared bankruptcy are removed from the calculation of the denial rate.

An approved provider is a business that obtains at least 85% of its revenues from denied claims management practices, has been in existence for at least 5 years, and employs at least 30 certified claims specialists. A certified claims specialist is an individual who is certified by an entity that uses nationally recognized claims management principles to establish baseline competence for claims specialists. The department must maintain a list of approved certification providers.

Within 60 calendar days of receiving the capital recovery report, the approved provider under contract with the department must evaluate the data contained in each report to determine the denial rate of each hospital district or county hospital. If a report is deemed incomplete because it does not contain enough data to calculate a denial rate, the department must notify the district or county hospital, which then has 15 business days to provide further data. The department must report the hospital district and county hospital denial rates to the Legislature by March 1 of each year.

⁹ Presentation to the House Finance & Tax Committee, 1/22/2015
STORAGE NAME: h7115.APC.DOCX
DATE: 4/3/2015

The denial rate means the claims denials (denial amounts are calculated for all zero paid line items within 60 days of issuance of the claim and the magnitude is based on the contracted rate) divided by the total gross value of claims electronically billed during the fiscal year reflected on the hospital district's or county hospital's claims submissions. The fiscal year for the denial value and the fiscal year for the gross value of claims must be the same. If an insurer declares bankruptcy, all claims issued to and claim denials by that insurer shall be removed from the numerator and denominator of this calculation.

The bill ties increases in certain funding to an entity's denial rate. As part of this process, the bill defines "county funding" as funds appropriated by a county government to support a hospital or the proceeds of an ad valorem tax levied by a county to support a hospital. Beginning in the 2017-2018 fiscal year, a hospital district may only levy increased ad valorem taxes or a county hospital may only receive increased county funding in the year following submission of a capital recovery report if one of the following criteria are met:

- The denial rate for the hospital district or county hospital was less than or equal to 10 percent for the reports submitted based fiscal years 2015-2016, 2017-2018, 2017-2018 (these reports will impact hospital district or county hospital funding for fiscal years 2017-2018, 2018-2019, and 2019-2020, respectively), or
- The denial rate for the hospital district or county hospital was less than or equal to 7 percent for reports based on fiscal year 2018-2019 and each year thereafter (these reports will impact hospital district or county hospital funding for fiscal year 2020-2021 and each year thereafter); or
- The hospital district or county hospital has reduced its denial rate by 33 percent within the previous 3 fiscal years and by 66 percent within the 5 previous fiscal years.

This restriction on levying or receiving increased ad valorem revenues also applies to hospital districts and county hospitals which fail to submit a timely completed report.

The department may adopt emergency rules to implement this section and clarify what data must be submitted as part of the capital recovery report.

The bill contains a finding of important state interest.

B. SECTION DIRECTORY:

Section 1: Creates s. 155.50, F.S., to set forth the capital recovery practices necessary for hospital districts and county hospitals to have in place to levy or receive additional revenues.

Section 2: Provides a finding of important state interest.

Section 3: Provides an appropriation.

Section 4: Provides an effective date of July 1, 2015.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

The bill appropriates \$400 thousand in recurring General Revenue to the Department of Financial Services to contract with an approved provider to calculate denial rates and appropriates \$60 thousand in nonrecurring General Revenue to initiate the program.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

On March 27, 2015, the Revenue Estimating Conference (REC) estimated the revenue impacts of this bill. The REC estimates the impact on local government tax revenues is indeterminate negative or zero, contingent on whether or not the affected entities meet the denial rate requirements of the bill. For counties that fund county hospitals that fail to meet the denial rates set out in this bill, the county would be prohibited from providing those hospitals with increased appropriations or increased ad valorem tax levies dedicated to supporting a hospital. For hospital districts that fail to meet the denial rates set out in this bill, the hospital district would be prohibited from collecting additional ad valorem revenues for its hospitals and medical facilities.

2. Expenditures:

Hospital districts and county hospitals will be required to develop and submit to the Department of Financial Services capital recovery reports. The cost of these reports is unknown.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill may encourage hospital districts and county hospitals to hire approved providers to assist them in calculating and reducing their denial rates. Reduction in the denial rates and the potential reduction in tax revenues could shift costs away from the taxpayers and to insurers.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The county/municipality mandates provision of Art. VII, section 18, of the Florida Constitution may apply because this bill places a reporting requirement on county hospitals, which may require the expenditure of funds. The bill appears to qualify for an exemption from Art. VII, section 18(a), of the Florida Constitution because the county hospital reporting requirement is likely to have an insignificant fiscal impact.

B. RULE-MAKING AUTHORITY:

The bill gives the Department of Financial Services emergency and regular rulemaking authority to specify the type and form of the data it needs for the calculation of the denial rates.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

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Be It Enacted by the Legislature of the State of Florida:

Section 1. Section 155.50, Florida Statutes, is created to read:

155.50 Capital recovery requirements for tax-supported hospitals.-

(1) As used in this section, the term:

(a) "Approved provider" means a business that generates at least 85 percent of its revenues from denied claims management, that has been in existence for at least 5 years, and that employs at least 30 certified claims specialists.

(b) "Capital recovery report" means a report of claims to an insurer or governmental entity and all related claim denials for all of the claims of hospitals and other medical facility operations of a hospital district or a county hospital, which must:

1. Include all claims data electronically submitted by all hospitals and other medical facilities and operations of the hospital district or county hospitals to a governmental entity or insurer and remittance advice or responses electronically transmitted by insurers or governmental entities in an electronic format that the approved provider hired by the department can use to calculate denial rates.

2. Include an attestation by a certified public accountant that the billing information reflected in the report is

53 accurate, complete, and consistent with generally accepted
 54 accounting principles.

55 3. Comply with federal and state confidentiality
 56 standards.

57 (c) "Certified claims specialist" means an individual who
 58 is certified by an entity that uses nationally recognized claims
 59 management principles to establish a baseline competency for
 60 claims specialists. The department shall maintain a list of
 61 recognized certification providers on its website.

62 (d) "Claim" means an itemized statement of health care
 63 services and costs submitted by a health care provider or
 64 facility to a governmental entity or a third party for payment.

65 (e) "County funding" means the funds appropriated by a
 66 county government to support a hospital or the proceeds of an ad
 67 valorem tax levied by a county to support a hospital.

68 (f) "County hospital" means a hospital receiving county
 69 funding.

70 (g) "Denial rate" means the denial value divided by the
 71 total gross value of claims electronically billed during the
 72 fiscal year reflected on the hospital district's or county
 73 hospital's claims submissions. The fiscal year for the denial
 74 value and the fiscal year for the gross value of claims must be
 75 the same. If an insurer declares bankruptcy, all claims issued
 76 to and claim denials by that insurer shall be removed from the
 77 numerator and denominator of this calculation.

78 (h) "Denial value" means the gross amount of all zero paid

79 | line items on billed claims submitted in a given fiscal year for
 80 | which specific payment is expected but for which no payment has
 81 | been received within 60 days, as indicated in remittance advice
 82 | electronically transmitted by insurers or governmental entities.

83 | (i) "Department" means the Department of Financial
 84 | Services.

85 | (j) "Fiscal year" means the annual period beginning
 86 | October 1 and ending September 30 of the following year.

87 | (k) "Hospital district" means a dependent or independent
 88 | special district that levies ad valorem taxes to support the
 89 | operations of one or more hospitals or other medical facilities.

90 | (l) "Increased tax revenues" means an increase in ad
 91 | valorem tax revenues levied by a hospital district or an
 92 | increase in county funding for a county hospital for a fiscal
 93 | year compared to the levying or funding entity's immediately
 94 | prior fiscal year.

95 | (m) "Specific payment" means the reimbursement amount
 96 | expected based on the Centers for Medicare and Medicaid
 97 | Services' fee schedule or the contracted rates specific to each
 98 | insurer.

99 | (2) (a) The department shall contract with an approved
 100 | provider to receive the capital recovery reports and calculate
 101 | the denial rate for each hospital district or county hospital
 102 | based on the data submitted in the capital recovery reports.

103 | (b) An approved provider contracted by the department may
 104 | not also work in any capacity for any hospital district or

105 | county hospital that is required to submit a capital recovery
 106 | report pursuant to this section.

107 | (3) Each hospital district or county hospital must
 108 | complete and submit to the approved provider under contract with
 109 | the department a capital recovery report within 90 calendar days
 110 | after the end of the fiscal year. The hospital district or
 111 | county hospital may develop its own capital recovery report that
 112 | meets the requirements of this section or may hire an approved
 113 | provider to develop the capital recovery report. The first
 114 | capital recovery report is due after the 2015-2016 fiscal year.

115 | (4) Within 60 calendar days after receiving the complete
 116 | capital recovery report, the approved provider under contract
 117 | with the department shall calculate the denial rate for the
 118 | hospital district or county hospital based on the data submitted
 119 | in the capital recovery report and notify the board of the
 120 | hospital district or county hospital of the denial rate. The
 121 | capital recovery report is deemed incomplete until the approved
 122 | provider has sufficient data in the proper format to allow it to
 123 | accurately calculate a denial rate for the hospital district or
 124 | county hospital. If the approved provider receives an incomplete
 125 | report, the approved provider shall notify the governing board
 126 | of the hospital district or county hospital. The hospital
 127 | district or county hospital has 15 business days from the date
 128 | that the approved provider issues the notification to provide
 129 | the complete report to the approved provider. If the hospital
 130 | district or county hospital fails to provide the complete report

131 within 15 business days, the hospital district or county
 132 hospital may not levy or receive increased tax revenues for the
 133 fiscal year following the year in which the capital recovery
 134 report was due.

135 (5) The department shall provide a list of at least five
 136 approved providers that meet the requirements of this section.

137 (6) A hospital district or county hospital may levy or
 138 receive increased tax revenues for fiscal years 2017-2018, 2018-
 139 2019, and 2019-2020 only if the denial rate calculated from the
 140 capital recovery report submitted to the approved provider under
 141 contract with the department in the immediately preceding fiscal
 142 year is 10 percent or less. A hospital district or county
 143 hospital may levy or receive increased tax revenues for each
 144 fiscal year after 2019-2020 only if the denial rate calculated
 145 from the capital recovery report submitted to the approved
 146 provider in the immediately preceding fiscal year is 7 percent
 147 or less. If the hospital district or county hospital fails to
 148 meet the denial rates described in this subsection, it may
 149 increase tax revenues if it can demonstrate that it has reduced
 150 its claim denial rate by 33 percent within the preceding 3 years
 151 and reduced its claim denial rate by 66 percent in the preceding
 152 5 years.

153 (7) This section does not authorize a hospital district to
 154 increase its millage beyond the millage specified in its
 155 authorizing act or beyond 10 mills if tax revenues are received
 156 from the county. The provisions of this section are in addition

157 | to any other statute or special act. To the extent that this
 158 | section conflicts with any special act, resolution, or
 159 | ordinance, this section supersedes the special act, resolution,
 160 | or ordinance.

161 | (8) The department may adopt rules to specify the type and
 162 | form of records to be submitted as part of the capital recovery
 163 | report used to calculate a denial rate for each hospital
 164 | district or county hospital. The department is authorized, and
 165 | all conditions are deemed met, to adopt emergency rules under
 166 | ss. 120.536(1) and 120.54(4) for the purpose of implementing
 167 | this section.

168 | (9) By March 1 of each year, the department or an approved
 169 | provider contracted by the department shall submit the denial
 170 | rates for each county hospital and hospital district to the
 171 | President of the Senate, the Speaker of the House of
 172 | Representatives, and the standing committees of the Senate and
 173 | the House of Representatives having jurisdiction over taxation.

174 | Section 2. The Legislature finds that this act fulfills an
 175 | important state interest.

176 | Section 3. For the 2015-2016 fiscal year, the sums of
 177 | \$400,000 in recurring funds and \$60,000 in nonrecurring funds
 178 | from the General Revenue Fund are appropriated to the Department
 179 | of Financial Services to contract with an approved provider to
 180 | receive capital recovery reports from hospital districts and
 181 | county hospitals and to calculate the denial rate for each such
 182 | district or hospital to implement the provisions of this act.

HB 7115

2015

183

Section 4. This act shall take effect July 1, 2015.

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 7115 (2015)

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED _____ (Y/N)
ADOPTED AS AMENDED _____ (Y/N)
ADOPTED W/O OBJECTION _____ (Y/N)
FAILED TO ADOPT _____ (Y/N)
WITHDRAWN _____ (Y/N)
OTHER _____

1 Committee/Subcommittee hearing bill: Appropriations Committee
2 Representative Fant offered the following:

3
4 **Amendment (with title amendment)**

5 Remove everything after the enacting clause and insert:

6 Section 1. Section 189.056, Florida Statutes, is created to
7 read:

8 189.056 Capital recovery requirements for tax-supported
9 hospitals.-

10 (1) As used in this section, the term:

11 (a) "Approved provider" means a business that generates at
12 least 85 percent of its revenues from denied claims management,
13 that has been in existence for at least 5 years, and that
14 employs at least 30 certified claims specialists.

15 (b) "Capital recovery report" means a report of claims to
16 an insurer or governmental entity and all related claim denials

Amendment No. 1

17 for all of the claims of hospitals and other medical facility
18 operations of a hospital district, which must:

19 1. Include all claims data electronically submitted by all
20 hospitals and other medical facilities and operations of the
21 hospital district to a governmental entity or insurer and
22 remittance advice or responses electronically transmitted by
23 insurers or governmental entities in an electronic format that
24 the approved provider hired by the department can use to
25 calculate denial rates.

26 2. Include an attestation by a certified public
27 accountant, licensed under chapter 473, that the billing
28 information reflected in the report is accurate and complete.

29 3. Comply with federal and state confidentiality
30 standards.

31 (c) "Certified claims specialist" means an individual who
32 is certified by an entity that uses nationally recognized claims
33 management principles to establish a baseline competency for
34 claims specialists. The department shall maintain a list of
35 recognized certification providers on its website.

36 (d) "Claim" means an itemized statement of health care
37 services and costs submitted by a health care provider or
38 facility to a governmental entity or a third party for payment.

39 (e) "Denial rate" means the denial value divided by the
40 total gross value of claims electronically billed during the
41 fiscal year reflected on the hospital district's claims
42 submissions. The fiscal year for the denial value and the fiscal

Amendment No. 1

43 year for the gross value of claims must be the same. If an
44 insurer declares bankruptcy, all claims issued to and claim
45 denials by that insurer shall be removed from the numerator and
46 denominator of this calculation.

47 (f) "Denial value" means the gross amount of all zero paid
48 line items on billed claims submitted in a given fiscal year for
49 which specific payment is expected but for which no payment has
50 been received within 60 days, as indicated in remittance advice
51 electronically transmitted by insurers or governmental entities.

52 (g) "Department" means the Department of Financial
53 Services.

54 (h) "Fiscal year" means the annual period beginning
55 October 1 and ending September 30 of the following year.

56 (i) "Hospital district" means a dependent or independent
57 special district that levies ad valorem taxes to support the
58 operations of one or more hospitals or other medical facilities.
59 If a hospital district does not levy ad valorem taxes but
60 subsequently proposes to levy ad valorem taxes, it is also a
61 hospital district subject to the requirements of this section.

62 (j) "Increased tax revenues" means an increase in ad
63 valorem tax revenues levied by a hospital district compared to
64 the ad valorem revenues generated in the hospital district's
65 immediately prior fiscal year.

66 (k) "Specific payment" means the reimbursement amount
67 expected based on the Centers for Medicare and Medicaid

Amendment No. 1

68 Services' fee schedule or the contracted rates specific to each
69 insurer.

70 (2) (a) The department shall contract with an approved
71 provider to receive the capital recovery reports and calculate
72 the denial rate for each hospital district based on the data
73 submitted in the capital recovery reports.

74 (b) An approved provider contracted by the department may
75 not also work in any capacity for any hospital district that is
76 required to submit a capital recovery report pursuant to this
77 section.

78 (3) Each hospital district must complete and submit to the
79 approved provider under contract with the department a capital
80 recovery report within 90 calendar days after the end of the
81 fiscal year. The hospital district may develop its own capital
82 recovery report that meets the requirements of this section or
83 may hire an approved provider to develop the capital recovery
84 report. The first capital recovery report is due after the 2015-
85 2016 fiscal year.

86 (4) Within 60 calendar days after receiving the complete
87 capital recovery report, the approved provider under contract
88 with the department shall calculate the denial rate for the
89 hospital district based on the data submitted in the capital
90 recovery report and notify the board of the hospital district of
91 the denial rate. The capital recovery report is deemed
92 incomplete until the approved provider has sufficient data in
93 the proper format to allow it to accurately calculate a denial

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 7115 (2015)

Amendment No. 1

94 rate for the hospital district. If the approved provider
95 receives an incomplete report, the approved provider shall
96 notify the governing board of the hospital district. The
97 hospital district has 15 business days from the date that the
98 approved provider issues the notification to provide the
99 complete report to the approved provider. If the hospital
100 district fails to provide the complete report within 15 business
101 days, the hospital district may not levy increased tax revenues
102 for the fiscal year following the year in which the capital
103 recovery report was due.

104 (5) The department shall provide a list of at least five
105 approved providers that meet the requirements of this section.

106 (6) A hospital district may levy increased tax revenues
107 for fiscal years 2017-2018, 2018-2019, and 2019-2020 only if the
108 denial rate calculated from the capital recovery report
109 submitted to the approved provider under contract with the
110 department in the immediately preceding fiscal year is 10
111 percent or less. A hospital district may levy increased tax
112 revenues for each fiscal year after 2019-2020 only if the denial
113 rate calculated from the capital recovery report submitted to
114 the approved provider in the immediately preceding fiscal year
115 is 7 percent or less. If the hospital district fails to meet the
116 denial rate requirements described in this subsection, it may
117 increase tax revenues only if it can demonstrate that it has
118 reduced its claim denial rate by 33 percent within the preceding

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 7115 (2015)

Amendment No. 1

119 3 years and reduced its claim denial rate by 66 percent in the
120 preceding 5 years.

121 (7) This section does not authorize a hospital district to
122 increase its millage beyond the millage specified in its
123 authorizing act. The provisions of this section are in addition
124 to any other statute or special act. To the extent that this
125 section conflicts with any special act, resolution, or
126 ordinance, this section supersedes the special act, resolution,
127 or ordinance.

128 (8) The department may adopt rules to specify the type and
129 form of records to be submitted as part of the capital recovery
130 report used to calculate a denial rate for each hospital
131 district. The department is authorized, and all conditions are
132 deemed met, to adopt emergency rules under ss. 120.536(1) and
133 120.54(4) for the purpose of implementing this section.

134 (9) By March 1 of each year, the department or an approved
135 provider contracted by the department shall submit the denial
136 rates for each hospital district to the President of the Senate,
137 the Speaker of the House of Representatives, and the standing
138 committees of the Senate and the House of Representatives having
139 jurisdiction over taxation.

140 Section 2. For the 2015-2016 fiscal year, the sums of
141 \$400,000 in recurring funds and \$60,000 in nonrecurring funds
142 from the General Revenue Fund are appropriated to the Department
143 of Financial Services to contract with an approved provider to
144 receive capital recovery reports from hospital districts and to

Amendment No. 1

145 calculate the denial rate for each such district to implement
146 the provisions of this act.

147 Section 3. This act shall take effect on July 1, 2015.

148

149 -----

150 **T I T L E A M E N D M E N T**

151 Remove lines 2-23 and insert:

152 An act relating to capital recovery; creating s. 189.056, F.S.;

153 providing definitions; requiring the Department of Financial

154 Services to maintain a list of claims specialist certification

155 providers on its website; specifying the information to be

156 included in a capital recovery report; providing the method used

157 to calculate a denial rate; requiring hospital districts to

158 comply with capital recovery reporting requirements; requiring

159 the department to contract with an approved provider to

160 calculate denial rates for certain hospital districts;

161 prohibiting hospital districts from levying increased tax

162 revenues if they fail to timely submit a complete report;

163 requiring the department to maintain a list of approved

164 providers; requiring hospital districts to meet specified

165 requirements before levying increased tax revenues; providing

166 construction; providing the department with rulemaking authority

167 to specify the type and form of data necessary to calculate a


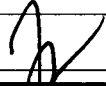
168 denial rate; requiring an annual report listing the denial rates

169 for each hospital district; providing an appropriation;

170 providing an effective date.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 7135 PCB SAC 15-02 State Lands
SPONSOR(S): State Affairs Committee, Caldwell
TIED BILLS: IDEN./SIM. **BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: State Affairs Committee	12 Y, 3 N	Gregory	Camechis
1) Appropriations Committee		Helping 	Leznoff 

SUMMARY ANALYSIS

The bill addresses a number of issues relating to State Lands, such as:

- Adding preservation of low impact agriculture to the list of short-term and long-term state land management goals;
- Directing land managers, as part of their every 10-year management plan update, to identify conservation lands that could support low impact agricultural uses while maintaining the land's conservation purpose;
- Directing land managers, as part of their every 10-year management plan update, to identify conservation lands that could be disposed of in fee simple or with the state retaining a permanent conservation easement;
- Requiring exchanges involving conservation lands to result in an "equal or greater conservation benefit" rather than a "net positive conservation benefit;"
- Requiring the Division of State Lands (DSL), at least every 10 years, to review all Board of Trustees of the Internal Improvement Trust Fund (Board of Trustee)-titled conservation lands, along with lands identified in any updated land management plan, to determine whether any can support low impact agricultural uses while maintaining the land's conservation purpose, and requires DSL to direct managing agencies to offer agreements for conducting low impact agriculture on these lands;
- Requiring DSL, at least every 10 years, to review all Board of Trustee-titled conservation lands, along with lands identified in any updated land management plan, to determine if any are no longer needed for conservation purposes and can be disposed of in fee simple or with the state retaining a permanent conservation easement;
- Requiring DSL, at least every 10 years, to review all Board of Trustee-titled non-conservation lands and recommend to the Board of Trustees whether the lands should be retained or disposed of;
- Allowing a person to bypass the Acquisition and Restoration Council (ARC) when seeking to exchange certain lands with the state and submit a request directly to the Board of Trustees. A person who owns land contiguous to BOT-titled land may submit a request directly to the BOT to exchange all or a portion of the state-owned land, with the state retaining a permanent conservation easement, for a permanent conservation easement over all or a portion of the contiguous privately owned land;
- Requiring ARC, when developing proposed rules related to land acquisitions under the Florida Forever Program, to give weight to projects that allow the state to purchase permanent conservation easements that authorize low-impact agricultural uses while achieving the intended conservation purposes;
- Allowing a Florida Forever project applicant to appeal to the Board of Trustees a decision by ARC to exclude the applicant's property from the Florida Forever project list;
- Requiring DEP to add the following to the existing SOLARIS state lands database by July 1, 2017: federally owned conservation lands; lands on which the federal government holds a conservation easement; and all lands on which the state holds a conservation easement;
- Requiring each county and city to submit to DEP, by July 1, 2017, a list of all conservation lands owned by the local government and lands on which the local government holds a permanent conservation easement. Financially disadvantaged small communities have until July 1, 2018, to submit the same information;
- Directing DEP to complete a study by January 1, 2017, regarding the technical and economic feasibility of including the following lands in a public lands inventory: privately owned lands that may not be developed due to certain local, state, or federal regulatory requirements; privately owned lands where development rights have been transferred; privately owned lands under a permanent conservation easement; privately owned conservation lands; and lands that are part of a mitigation bank; and
- Requiring DEP to consolidate individually titled parcels of state-owned conservation lands that are contiguous to other parcels of state-owned conservation lands under a single unified title.

The bill appears to have a negative fiscal impact on DEP, an indeterminate negative fiscal impact on local governments, and no fiscal impact on the private sector. (See Fiscal Analysis & Economic Impact Statement.)

This bill may be a county or municipality mandate pursuant to Art. VII, section 18 of the Florida Constitution. See Section III.A.1 of the analysis.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

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FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Nature and Extent of State Lands

The State of Florida owns lands throughout the state for many purposes including preservation, conservation, recreation, water management, historic preservation and administration of government.

These lands include:

- All swamp and overflowed lands held by the state or which may inure to the state;
- All lands owned by the state by right of its sovereignty;¹
- All internal improvement lands proper;
- All tidal lands;
- All lands covered by shallow waters of the ocean or gulf, or bays or lagoons thereof, and all lands owned by the state covered by fresh water;
- All parks, reservations, or lands or bottoms set aside in the name of the state, excluding lands held for transportation facilities and transportation corridors and canal rights-of-way; and
- All lands which have accrued, or which may accrue, to the state.²

These lands are held in trust for the use and benefit of the people of Florida by the Board of Trustees of the Internal Improvement Trust Fund (Board of Trustees).³ The Board of Trustees consists of the Governor, Attorney General, Chief Financial Officer, and Commissioner of Agriculture.⁴ This body may acquire, sell, transfer, and administer state lands in the manner consistent with chapters 253 and 259, F.S.⁵

The Department of Environmental Protection (DEP), through its Division of State Lands (DSL), performs all staff duties and functions related to the acquisition, administration, and disposition of state lands.⁶ The Water Management Districts (WMD) may perform staff duties and functions related to their regulation of water resource management,⁷ such as authorizing the use of sovereign submerged lands.⁸ The Department of Agriculture and Consumer Services (DACCS) may perform staff duties and functions related to their regulation of aquaculture leases and the acquisition, administration, and disposition of conservation easements,⁹ such as authorizing the use of sovereign submerged lands.¹⁰ Lastly, the Fish and Wildlife Conservation Commission (FWC) may authorize use of sovereign lands related to aquatic weed control and aquatic plant management.¹¹

According to the DEP, the Board of Trustees own approximately 12 million acres.¹² Approximately 3.2 million of these acres are conservation lands, 113,000 acres are non-conservation lands, and 9 million

¹ "Sovereignty submerged lands" are those lands including but not limited to, tidal lands, islands, sand bars, shallow banks, and lands waterward of the ordinary or mean high water line, beneath navigable fresh water or beneath tidally-influenced waters, to which the State of Florida acquired title on March 3, 1845, by virtue of statehood, and which have not been heretofore conveyed or alienated.

Rule 18-21.003(61), F.A.C.

² Section 253.03(1), F.S.

³ Section 253.001, F.S.

⁴ Section 253.02(1), F.S.

⁵ Id.

⁶ Section 253.002(1), F.S.

⁷ Id.

⁸ Rule 18-21.0051(2), F.A.C.

⁹ Section 253.002(1), F.S.

¹⁰ Rule 18-21.0051(3), F.A.C.

¹¹ Section 253.002(1), F.S.

¹² Department of Environmental Protection Presentation on Division of State Lands, State Affairs Committee, March 6 2015, available at <http://myfloridahouse.gov/Sections/Documents/publications.aspx?Committeeld=2851&PublicationType=Committees&DocumentType=MeetingPackets&SessionId=76>.

acres are sovereign submerged lands.¹³ The Board of Trustees authorizes several agencies to manage state lands including DACS, FWC, the Department of State (DOS), the DEP Office of Coastal and Aquatic Management, the DEP Office of Greenways & Trails (OGT), and the Florida Park Service.¹⁴ Other entities may also manage the land, subject to approval of the Board of Trustees. These agencies and other entities hold a property interest in the land in the form of a management agreement, lease, or other property instrument.¹⁵ These instruments may not be executed for a period greater than is necessary to provide reasonable use of the land for the existing or planned life cycle or amortization of the improvements.¹⁶

Use of State Conservation and Non-Conservation Lands

Present Situation

“Conservation lands” are lands currently managed for conservation, outdoor resource-based recreation, or archaeological or historic preservation, except those lands acquired solely to facilitate the acquisition of other conservation lands.¹⁷ Lands acquired for uses other than conservation, outdoor resource-based recreation, or archaeological or historic preservation (“Non-conservation lands”) are not designated conservation lands.¹⁸ Non-conservation lands include the following: correction and detention facilities, military installations and facilities, state office buildings, maintenance yards, state university or Florida College System institution campuses, agricultural field stations or offices, tower sites, law enforcement and license facilities, laboratories, hospitals, clinics, and other sites that possess no significant natural or historical resources.¹⁹

All state agencies who use state lands must submit a management plan to DSL.²⁰ This management plan must include:

- The common name of the property;
- A map showing the location and boundaries of the property plus any structures or improvements to the property;
- The legal description and acreage of the property;
- The degree of title interest held by the Board, including reservations and encumbrances such as leases;
- The land acquisition program, if any, under which the property was acquired;
- The designated single use or multiple use management for the property;
- Proximity of property to other significant state, local, or federal land or water resources;
- A statement as to whether the property is within an aquatic preserve or a designated area of critical state concern, or an area under study for such designation;
- The location and description of known and reasonably identifiable renewable and non-renewable resources of the property;
- A description of actions the agency plans to take to locate and identify unknown resources;
- The identification of resources on the property that are listed in the Natural Area Inventory;
- A description of past uses of the property;
- A detailed description of existing and planned use(s) of the property;
- For managed areas larger than 1,000 acres, an analysis of the multiple-use potential of the property;
- A detailed assessment of the impact of planned uses on the renewable and non-renewable resources of the property, including soil and water resources, and a detailed description of the specific actions that will be taken to protect, enhance and conserve these resources and to

¹³ Id.

¹⁴ Id.

¹⁵ Section 253.034(4), F.S.

¹⁶ Id.

¹⁷ Section 253.034(2)(c), F.S.

¹⁸ Id.

¹⁹ Id.

²⁰ Rule 18-2.018(3)(a)5.a., F.A.C.

mitigate damage caused by such uses, including a description of how the manager plans to control and prevent soil erosion and soil or water contamination;

- A description of management needs and problems for the property;
- Identification of adjacent land uses that conflict with the planned use of the property;
- A description of legislative or executive directives that constrain the use of such property;
- A finding regarding whether each planned use complies with the State Lands Management Plan;
- An assessment as to whether the property, or any portion, should be declared surplus;
- Identification of other parcels of land within or immediately adjacent to the property that should be purchased because they are essential to management of the property;
- A description of the management responsibilities of each agency and how such responsibilities will be coordinated; and
- A statement concerning the extent of public involvement and local government participation in the development of the plan.²¹

All other lessees who use state lands must submit an operational report to DSL within a year of the execution of the lease. This operational report must include:

- The common name of the property;
- A map showing the approximate location and boundaries of the property, the location of any structures or improvements to the property, and a statement as to whether the property is adjacent to an aquatic preserve or a designated area of critical state concern or an area under study for such designation;
- The legal description and acreage of the property;
- The land acquisition program, if any, under which the property was acquired;
- The designated single or multiple use management for the property;
- The approximate location and description of known renewable and non-renewable resources of the property;
- A description of past and existing uses of the property;
- A description of alternative or multiple uses of the property considered by the lessee and a statement detailing why such uses were not adopted;
- An assessment of the impact of planned uses on the renewable and non-renewable resources of the property and a description of the specific actions that will be taken to protect, enhance and conserve those resources and to compensate/mitigate the damage that is caused by such use;
- A description of management needs and problems on the property;
- A description of the management responsibilities of each entity and how such responsibilities will be coordinated;
- A statement concerning the extent of public involvement and local government participation, if any, in the development of the plan; and
- A statement of gross income generated, net income and expenses.²²

Land management plans for lands must also include short-term and long-term goals including measurable objectives to achieve those goals.²³ Short-term and long-term management goals must include measurable objectives for the following, as appropriate:

- Habitat restoration and improvement;
- Public access and recreational opportunities;
- Hydrological preservation and restoration;
- Sustainable forest management;
- Exotic and invasive species maintenance and control;
- Capital facilities and infrastructure;

²¹ Rule 18-2.021(4), F.A.C.

²² Rule 18-2.018(3)(a)5.b., F.A.C.

²³ Section 253.034(5)(a), F.A.C.

- Cultural and historical resources; and
- Imperiled species habitat maintenance, enhancement, restoration, or population restoration.

While developing a land management plan, at least one public meeting must be held in one of the affected counties.²⁴

Managers of conservation and non-conservation land must submit an updated land management plan every ten years for approval by the Board of Trustees.²⁵ While all conservation management plans must include an assessment for sustainable forestry potential on each management unit,²⁶ maintenance of any existing agricultural use is not required. The Florida Forever Program and P2000 Program do not contemplate preservation of agricultural practices as a reason for conservation acquisition.²⁷ The Legislature created the Rural and Family Lands Protection Program separately for the purpose of preserving agricultural practices.²⁸ Likewise, low-impact agriculture is allowed on conservation lands where compatible with the reasons for acquisition and the mission-specific purposes for preservation.²⁹ According to DEP, it has entered into grazing and timber leases with various agencies managing conservation lands.³⁰

All conservation land managers must also include an analysis of any lands that may no longer be needed for conservation and suitable for potential surplus in each management plan or update.³¹ DSL does not require this surplus analysis for managers of non-conservation lands.³²

Upon completion of the management plan, the Acquisition and Restoration Council (ARC) reviews the land management plan and provides a recommendation to the Board of Trustees.³³ ARC is a ten member board established to assist the Board of Trustees in reviewing the recommendations and plans for state-owned lands.³⁴ The Board of Trustees may approve, modify, or reject the land management plan.³⁵ The land management plan becomes effective upon approval of the Board of Trustees.³⁶

Effect of the Proposed Changes

The bill:

- Amends s. 253.034(1), F.S., to make a legislative finding that as of January 1, 2014, approximately 3.2 million acres of conservation lands are titled in the name of the Board of Trustees. Approximately 1.2 million acres of these conservation lands, which equal approximately 3.4 percent of the total land area of Florida, are uplands located above the boundary of jurisdictional wetlands;
- Amends s. 253.034(5)(b), F.S., to add preservation of low impact agriculture to the list of measurable objectives for short-term and long-term state land management goals for conservation lands;
- Amends s. 253.035(5)(e), F.S., to

²⁴ Section 253.034(5)(f), F.A.C.

²⁵ Section 253.034(5), F.S.

²⁶ Section 253.036, F.S.; Rule 18-2.021(3)(n)2., F.A.C.

²⁷ See Sections 259.101 and 259.105, F.S.

²⁸ Chapter 5I-7, F.A.C.; Department of Agriculture and Consumer Services, Rural and Family Lands Protection Program, <http://www.freshfromflorida.com/Divisions-Offices/Florida-Forest-Service/Our-Forests/Land-Planning-and-Administration-Section/Rural-and-Family-Lands-Protection-Program3> (last visited March 19, 2015).

²⁹ Department of Environmental Protection, Agency Analysis of 2015 State Affairs Committee PCB, p. 2 (March 6, 2015).

³⁰ Id.

³¹ Rule 18-2.021(4), F.A.C.

³² See Rule 18-2.018(3)(a)5.b., F.A.C.

³³ Section 253.034(5)(d), F.S.; Land management plans submitted by the Department of Corrections, the Department of Juvenile Justice, and the Department of Children and Families are not subject to review by ARC. Section 253.034(9), F.S.

³⁴ Section 259.035, F.S.; Four members are appointed by the Governor. One member is appointed by the Secretary of DEP. One member is appointed by the Director of the Florida Forest Service. Two members are appointed by the Executive Director of FWC. One member is appointed by the Secretary of DOS. Lastly, one member is appointed by the Commissioner of Agriculture.

³⁵ Section 253.034(5)(h), F.S.

³⁶ Section 253.034(5)(d), F.S.

- Direct land managers, as part of their every 10-year management plan update, to identify conservation lands that could support low impact agricultural uses while maintaining the land's conservation purpose;
- Direct land managers, as part of their every 10-year management plan update, to identify conservation lands that could be disposed of in fee simple or with the state retaining a permanent conservation easement;
- Amends s. 253.034(6)(c), F.S., to require DSL, at least every 10 years, to review all Board of Trustee-titled conservation lands, along with lands identified in any updated land management plan, to determine whether any can support low impact agricultural uses while maintaining the land's conservation purpose. ARC must review this list of lands and provide a recommendation to DSL within 9 months whether such lands can support low impact agriculture. DSL must review ARC's recommendation and then direct the land managers to offer agreements for low impact agriculture on lands that DSL determines, taking into account the recommendations of ARC, could support low impact agricultural uses while maintaining the land's conservation purpose. This provision does not prohibit a managing agency from entering into agreements as otherwise provided by law. These agreements may not exceed a ten year term; and
- Amends s. 253.034(6)(c), F.S., to require DSL, at least every 10 years, to review all Board of Trustee-titled non-conservation lands and recommend to the Board of Trustees whether the lands should be retained or disposed of.

These changes may require the Board of Trustees to amend chapter 18-2, F.A.C.

Disposition of State Conservation and Non-Conservation Lands

Present Situation

The Board of Trustees may determine which state lands may be surplus.³⁷ To dispose of conservation lands, the Board of Trustees must determine whether the land is no longer needed for conservation purposes and may dispose of such lands by an affirmative vote of at least three members.³⁸ To dispose of non-conservation lands, the Board of Trustees must determine whether the land is no longer needed and may dispose of such lands by an affirmative vote of at least three members.³⁹

Every ten years, the land manager evaluates and indicates whether state lands are still being used for the purpose for which they were originally leased. For conservation lands, ARC reviews the finding and then provides a recommendation to the Board of Trustees whether the lands can be surplus.⁴⁰ For non-conservation lands, DSL reviews the finding and then provides a recommendation to the Board of Trustees whether the lands can be surplus.⁴¹

To exchange land involving the disposition of conservation lands, the Board of Trustees must determine by an affirmative vote of at least three members that the exchange will result in a net positive conservation benefit.⁴² When exchanging conservation lands acquired by the state through gift, donation, or any other conveyance for which no consideration was paid, the Board of Trustees may request land of equal conservation value from the county or local government but no other consideration.⁴³

The Board of Trustees must first offer non-conservation lands at no cost to county and local governments when the lands were acquired by the state through gift, donation, or any other

³⁷ Section 253.034(6), F.S.

³⁸ Id.

³⁹ Id.

⁴⁰ Section 253.034(6)(c), F.S.

⁴¹ Id.

⁴² Section 253.034(6), F.S.

⁴³ Section 253.42(1), F.S.

conveyance for which no consideration was paid and the use proposed by the county or local government is for a public purpose.⁴⁴

When exchanging state-owned lands not acquired by the state through gift, donation, or any other conveyance for which no consideration was paid with counties or local governments, the exchanges may be of equal value.⁴⁵ "Equal value" is defined as the conservation benefit of the lands being offered for exchange by a county or local government being equal or greater in conservation benefit than the state-owned lands.⁴⁶ Such exchanges may include cash transactions if based on an appropriate measure of value of the state-owned land, but must also include the determination of a net-positive conservation benefit by ARC, irrespective of appraised value.⁴⁷

Before a building or parcel of land is offered for lease or sale, DSL must first offer the land for lease to state agencies, state universities, and Florida College System institutions.⁴⁸

Proceeds from any sale of surplus lands must be deposited into the fund from which such lands were acquired.⁴⁹ However, if the fund from which the lands were originally acquired no longer exists, such proceeds must be deposited into an appropriate account to be used for land management by the lead managing agency assigned the lands.⁵⁰ Funds received from the sale of surplus non-conservation lands, or lands that were acquired by gift, by donation, or for no consideration, must be deposited into the Internal Improvement Trust Fund.⁵¹

The Board of Trustees may not surplus or exchange lands if the effect of the sale or exchange would cause all or any portion of the interest on any revenue bonds issued to lose their tax exempt status.⁵²

Effect of Proposed Changes

The bill amends s. 253.034(6), F.S., to require exchanges involving conservation lands to result in an "equal or greater conservation benefit" rather than a "net positive conservation benefit."

The bill amends s. 253.034(6)(c), F.S., to require DSL, at least every 10 years, to review all Board of Trustee-titled conservation lands, along with lands identified in any updated land management plan, to determine if any are no longer needed for conservation purposes and can be disposed of in fee simple or with the state retaining a permanent conservation easement. ARC must review this list of lands and provide a recommendation to DSL within 9 months as to whether such lands are no longer needed for conservation purposes. The Board of Trustees must review the list created by DSL and ARC's recommendation and then dispose of those lands, in fee simple or with the state retaining a permanent conservation easement, that the Board of Trustees determines, by an affirmative vote of three members of the board, are no longer needed for conservation purposes.

The bill creates s. 253.42(4), F.S., to allow a land owner to bypass ARC when seeking to exchange with the state private lands contiguous to state-owned lands and submit a request directly to the Board of Trustees. A person who owns land contiguous to Board of Trustees-titled land may submit a request directly to the Board of Trustees to exchange title to all or a portion of the contiguous state-owned land, with the state retaining a permanent conservation easement over the former state lands, for a permanent conservation easement over all or a portion of the contiguous privately owned land. The conservation easements must allow the person to use the land for low-impact agricultural purposes.

⁴⁴ Id.

⁴⁵ Section 253.42(2), F.S.

⁴⁶ Id.

⁴⁷ Id.

⁴⁸ Section 253.034(13), F.S.

⁴⁹ Section 253.034(6)(k), F.S.

⁵⁰ Id.

⁵¹ Id.

⁵² Section 253.034(6)(l), F.S.

This provision does not allow the Board of Trustees to exchange sovereign submerged lands. For the Board of Trustees to approve the exchange:

- The number of acres of state-owned land being exchanged must be equal to or less than the number of acres of privately held land that the person is willing to put under a permanent conservation easement;
- The privately held land must be bordered by state-owned land on at least 30 percent of its perimeter and the exchange must not create an inholding;
- Approval of the exchange must not cause the Board of Trustees, DEP, DACS, FWC, of a WMD to violate the terms of a preexisting lease;
- For conservation land, the Board of Trustees must determine the land is no longer needed for a conservation purpose;
- Approval of the exchange must not conflict with an existing flowage easement; and
- At least three members of the Board of Trustees must approve the request.

The Board of Trustees must give special consideration to a request that maintains public access for any recreational purpose allowed on the state-owned land at the time the request is submitted. Further, once exchanged, lands subject to permanent conservation easements are subject to inspection by DEP to ensure compliance with the terms of the permanent conservation easement.

Florida Forever Selection Process

Present Situation

In 1999, the Legislature created the Florida Forever Program.⁵³ This program sought to purchase environmentally sensitive lands to protect natural resources, avoid degradation of water resources, improve recreational opportunities, and preserve wildlife habitat.⁵⁴ The state issued Florida Forever Bonds to finance or refinance the cost of acquisition and improvement of land, water areas, and related property interests and resources, in urban and rural settings, for the purposes of restoration, conservation, recreation, water resource development, or historical preservation, and for capital improvements to lands and water areas that accomplish environmental restoration, enhance public access and recreational enjoyment, promote long-term management goals, and facilitate water resource development.⁵⁵

ARC, with the assistance of the Florida Natural Area Inventories and several state agencies, evaluates applications for acquisition projects under the Florida Forever Program and provides recommendations to the Board of Trustees.⁵⁶ In order to be considered for acquisition under the Florida Forever Program, the project must contribute to the achievement of the following goals:

- Enhance the coordination and completion of land acquisition projects;
- Increase the protection of Florida's biodiversity at the species, natural community, and landscape levels;
- Protect, restore, and maintain the quality and natural functions of land, water, and wetland systems of the state;
- Ensure that sufficient quantities of water are available to meet the current and future needs of natural systems and the citizens of the state;
- Increase natural resource-based public recreational and educational opportunities;
- Preserve significant archaeological or historic sites;
- Increase the amount of forestland available for sustainable management of natural resources;
- or
- Increase the amount of open space available in urban areas.⁵⁷

⁵³ Chapter 199-247, Laws of Fla.

⁵⁴ Section 259.105(2)(a), F.S.

⁵⁵ Section 215.618(1)(a), F.S.

⁵⁶ Section 259.105(3)&(8), F.S.

⁵⁷ Section 259.105(5), F.S.

Further, ARC must give weight to the following factors when considering applications:

- The project meets multiple goals described above;
- The project is part of an ongoing governmental effort to restore, protect, or develop land areas or water resources;
- The project enhances or facilitates management of properties already under public ownership;
- The project has significant archaeological or historic value;
- The project has funding sources that are identified and assured through at least the first 2 years of the project;
- The project contributes to the solution of water resource problems on a regional basis;
- The project has a significant portion of its land area in imminent danger of development, in imminent danger of losing its significant natural attributes or recreational open space, or in imminent danger of subdivision which would result in multiple ownership and make acquisition of the project costly or less likely to be accomplished;
- The project implements an element from a plan developed by an ecosystem management team;
- The project is one of the components of the Everglades restoration effort;
- The project may be purchased at 80 percent of appraised value;
- The project may be acquired, in whole or in part, using alternatives to fee simple, including but not limited to, tax incentives, mitigation funds, or other revenues; the purchase of development rights, hunting rights, agricultural or silvicultural rights, or mineral rights; or obtaining conservation easements or flowage easements; and
- The project is a joint acquisition, either among public agencies, nonprofit organizations, or private entities, or by a public-private partnership.⁵⁸

Further, ARC must give increased priority to those projects which have matching funds available and to project elements previously identified on an acquisition list that can be acquired at 80 percent or less of appraised value. ARC must also give increased priority to those projects where the state's land conservation plans overlap with the military's need to protect lands, water, and habitat to ensure the sustainability of military missions including:

- Protecting habitat on nonmilitary land for any species found on military land that is designated as threatened or endangered, or is a candidate for such designation under the Endangered Species Act or any Florida statute;
- Protecting areas underlying low-level military air corridors or operating areas; and
- Protecting areas identified as clear zones, accident potential zones, and air installation compatible use buffer zones delineated by our military partners, and for which federal or other funding is available to assist with the project.

Effect of the Proposed Changes

The bill:

- Repeals s. 259.105(4), F.S., that allowed, for the 2014-2015 fiscal year only, that certain funds from the General Appropriations Act be used by the WMDs for land acquisition identified by the WMDs as being needed for water resource protection or ecosystem restoration;
- Amends s. 259.105(10), F.S., to require ARC, when developing proposed rules related to land acquisitions under the Florida Forever Program, to give weight to projects that allow the state to purchase permanent conservation easements that authorize low-impact agricultural uses while achieving the intended conservation purposes;
- Amends s. 259.105(11), F.S., to require ARC to give priority to proposed projects under Florida Forever that can be acquired in less than fee and projects that contribute to improving springs or groundwater; and
- Amends s. 259.105(14), F.S., to allow a Florida Forever project applicant to appeal to the Board of Trustees a decision by ARC to exclude the applicant's property from the Florida Forever

⁵⁸ Section 259.105(10), F.S.
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project list. The Board of Trustees, by an affirmative vote of three members, may direct ARC to place a particular project on the Florida Forever project list.

These changes may require the Board of Trustees to amend chapter 18-24, F.A.C.

State Lands Record Keeping

Present Situation

The Board of Trustees must maintain a public land office that keeps and preserves all records, surveys, plats, maps, field notes, and patents, and all other evidence touching the title and description of the public domain, and all lands granted by Congress to this state.⁵⁹ This is done through the Bureau of Survey and Mapping.⁶⁰ The Bureau maintains a repository of all the records, surveys, plats, maps, field notes, and patents and all other evidence touching the title and description of the public domain.⁶¹

Annually, the Board of Trustees must prepare an inventory of all publicly owned lands within the state using tax roll data provided by the Department of Revenue (DOR).⁶² The inventory must include all lands owned by any unit of state government or local government; by the Federal Government, to the greatest extent possible; and by any other public entity.⁶³ The inventory must include a legal description or proper reference, the number of acres or square feet within the boundaries, and the assessed value of all publicly owned uplands.⁶⁴ By November 30 each year, the Board of Trustees must provide the inventory to each state agency and local government and any other public entity that holds title to real property.⁶⁵

Further, through a partnership with the Department of Management Services (DMS), DEP created, administers, and maintains a comprehensive system for all state lands and real property leased, owned, rented, and otherwise occupied or maintained by any state agency, by the judicial branch, and by any water management district.⁶⁶ This system is called the State Owned Lands and Records Information System (SOLARIS). SOLARIS is meant to allow the Board of Trustees to perform its statutory responsibilities and DSL to conduct strategic analyses and prepare annual valuation and disposition analyses and recommendations for all state real property assets.⁶⁷ DEP is the statewide custodian of real property information and is responsible for its accuracy.⁶⁸ SOLARIS must:

- Eliminate the need for redundant state real property information collection processes and state agency information systems;
- Reduce the need to lease or acquire additional real property as a result of an annual surplus valuation, utilization, and disposition analysis;
- Enable regional planning as a tool for cost-effective buy, sell, and lease decisions;
- Increase state revenues and maximize operational efficiencies by annually identifying those state-owned real properties that are the best candidates for surplus or disposition;
- Ensure all state real property is identified by collaborating and integrating with the DOR data as submitted by the county property appraisers; and
- Implement required functionality and processes for state agencies to electronically submit all applicable real property information using a web browser application.

⁵⁹ Section 253.031(1), F.S.

⁶⁰ Department of Environmental Protection, *Survey & Mapping*, <http://www.dep.state.fl.us/lands/survey.htm> (last visited March 20, 2015).

⁶¹ Section 253.031(2), F.S.

⁶² Section 253.03(8)(a), F.S.

⁶³ Id.

⁶⁴ Section 253.03(8)(b), F.S.

⁶⁵ Section 253.03(8)(c), F.S.

⁶⁶ Section 216.0153(1), F.S.; Department of Environmental Protection, *Florida State Owned Lands and Records Information System (FL-SOLARIS)*, http://www.dep.state.fl.us/lands/fl_solaris.htm (last visited March 20, 2015).

⁶⁷ Id.

⁶⁸ Id.

Effect of the Proposed Changes

The bill creates s. 253.97, F.S., to:

- Require DEP to add to SOLARIS by July 1, 2017, the following:
 - Federally owned conservation lands;
 - Lands on which the federal government holds a conservation easement; and
 - All lands on which the state holds a conservation easement;
- Require each county and city to submit to DEP, by July 1, 2017, a list of all conservation lands owned by the local government and lands on which the entity holds a permanent conservation easement. Financially disadvantaged small communities have until July 1, 2018, to submit the same information; and
- Directs DEP to complete a study by January 1, 2017, regarding the technical and economic feasibility of including the following lands in a public lands inventory:
 - All lands where local comprehensive plans, land use restrictions, zoning ordinances, or land development regulations prohibit the land from being developed or limits the amount of development to one unit per 40 acres or greater;
 - Publically and privately owned lands where development rights have been transferred;
 - Privately owned lands under a permanent conservation easement;
 - Conservation lands owned by non-profit or non-governmental organization; and
 - Lands that are part of a mitigation bank.

Lastly, the bill directs DEP to consolidate individually titled parcels of state-owned conservation lands that are contiguous to other parcels of state-owned conservation lands under a single unified title by July 1, 2018. In order to consolidate title, the DEP may have to:

- Create new metes and bounds descriptions that encompass the contiguous properties;⁶⁹
- Seek title opinions for each parcel; and
- Record the new deeds.

B. SECTION DIRECTORY:

Section 1. Amending s. 253.034, F.S., relating to use of state-owned lands.

Section 2. Amending s. 253.42, F.S., relating to exchanging Board of Trustee lands.

Section 3. Creating s. 253.87, F.S., relating to an inventory of federal and local conservation lands by DEP.

Section 4. Amending s. 259.105, F.S., relating to the Florida Forever Act.

Section 5. Amending s. 253.035, F.S. relating to the Acquisition and Restoration Council.

Section 6. Amends s. 373.199, F.S., relating to Florida Forever Water Management District Work Plan.

Section 7. Directing DEP to consolidate title to state owned conservation lands.

Section 8. Providing an effective date of July 1, 2015.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

⁶⁹ Department of Environmental Protection, Agency Analysis of 2015 State Affairs Committee PCB, p. 9 (March 9, 2015).
STORAGE NAME: h7135.APC.DOCX
DATE: 4/3/2015

2. Expenditures:

Section 1. Land Management Plans

The bill appears to have a negative fiscal impact on DEP by requiring additional detailed environmental assessment of state lands on a ten-year basis. DEP expects an increase in workload and an increase in costs related to the proposed new review requirements and proposed plan review every ten years.⁷⁰ DEP predicts it will require:

- One additional full-time employee (FTE) to facilitate the detailed environmental assessment of state-owned lands for possible low impact agricultural uses during the ten-year required submittal of land management plans;
- One other personnel services (OPS) position to handle the increased workload associated with the review of land management plans by ARC; and
- One additional FTE to process the initial low impact agricultural agreements and review and update leases to include the new agreements.⁷¹

DEP estimates the total cost of the three positions to be \$184,440.⁷²

Further, the bill appears to have an indeterminate negative fiscal impact on DEP because it requires the department to assess certain lands for surplus. DEP estimates this cost to be \$150,000.⁷³

Section 3. SOLARIS

The bill appears to have a negative fiscal impact on DEP by requiring the department to include all federally owned conservation lands, lands on which the federal government holds a conservation easement, and all lands on which the state holds a conservation easement into SOLARIS. DEP predicts it will require:

- For the federal conservation lands, federal conservation easements, and state conservation easements:
 - One FTE to produce the initial data, establish federal contacts to acquire data, and to maintain the system and data;
 - A recurring task order with the Florida Natural Areas Inventory to use its conservation managed land data;⁷⁴
 - A new SOLARIS Conservation Lands Module for the federal and state data to be designed and implemented before the data can be loaded;
- For the county and municipality conservation lands and easements:
 - Completion of a new SOLARIS Conservation Lands Module currently underway;
 - One FTE to act as liaison to counties and municipalities to assure compliance, quality control, and maintain the county and municipal conservation data in SOLARIS.⁷⁵

DEP estimates this cost to be \$1,135,784.⁷⁶

The bill appears to have a negative fiscal impact on DEP by requiring the department to conduct a study and submit a report on the technical and economic feasibility of including lands with various criteria in the SOLARIS database. DEP estimates this cost to be \$500,000.⁷⁷

⁷⁰ Id. at 7

⁷¹ Id.

⁷² Id.

⁷³ Id.

⁷⁴ Id.

⁷⁵ Id. at 8

⁷⁶ Id.

⁷⁷ Id.

Section 4. Florida Forever Rulemaking

The bill appears to have an insignificant negative fiscal impact on DEP because the department will likely need to revise their rules as a result of the statutory changes in the bill.

Section 5. Consolidating Title to State-Owned Conservation Lands

The bill appears to have a negative fiscal impact on DEP by requiring the department to consolidate individually titled parcels of state-owned conservation lands that are contiguous to other parcels of state-owned conservation lands under a single unified title. DEP predicts that it will require seven OPS staff over a three year period for contract management, document management, review, mapping, and plotting. These positions will be:

- Two OPS surveyors;
- Two OPS attorneys
- Two OPS GIS/Tech; and
- One Planning Manager.⁷⁸

DEP estimates these positions will cost \$594,999 over three years.⁷⁹

Further, DEP predicts that it must hire contracted services to perform this task. This will include:

- Contract surveyors reviewing 35,000 documents, at ten documents reviews a day, at a cost of \$1,000 per day, totaling \$3,500,000; and
- Processing cost for unity of title for 480 conservation units, including legal review, at approximately \$2,650 per conservation unit, totaling \$1,272,000.⁸⁰

DEP estimates this total cost to consolidate title to be \$5,366,997 over three years.⁸¹

Below is the summary of expenditures from the Internal Improvement Trust Fund from Fiscal Year 2015-16 to Fiscal Year 2018-19.

	FY 2015-2016	FY 2016-2017	FY 2017-2018	FY 2018-2019
Environmental Assessment of Low Impact Agricultural Areas (1 OPS and 2 FTE)	\$184,440	\$176,676	\$176,676	\$176,676
Surplus Lands Assessment	\$150,000	0	0	0
FL-SOLARIS (2 FTE)	\$1,135,784	\$273,020	\$273,020	\$273,020
FL-SOLARIS Study	\$500,000	0	0	0
Title Consolidation (7 OPS from FY 2015-16 to FY 2017-18)	\$1,788,999	\$1,788,999	\$1,788,999	\$198,333
INTERNAL IMPROVEMENT TRUST FUND-TOTAL	\$3,759,223	\$2,238,695	\$2,238,695	\$648,029

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

⁷⁸ Id.
⁷⁹ Id. at 9.
⁸⁰ Id.
⁸¹ Id.

None.

2. Expenditures:

The bill may have an indeterminate negative fiscal impact on each county and municipalities by requiring them to submit to DEP a list of all conservation lands owned by the entity and lands on which the entity holds a permanent conservation easement. Counties and municipalities will need to devote employee time and effort to collect and transmit the data to DEP.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill requires each county and municipality to submit to DEP a list of all conservation lands owned by the entity and lands on which the entity holds a permanent conservation easement. Thus, it appears that this bill may require counties and municipalities to take actions requiring the expenditure of funds. As a result, the county and municipality mandates provision of Art. VII, section 18, of the Florida Constitution may apply. A law having an insignificant fiscal impact is exempt from the requirements of Article VII, section 18, of the Florida Constitution. A fiscal estimate is not available for this bill.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The Board of Trustees has sufficient rule making authority to amend chapters 18-2 and 18-24, F.A.C., to conform to changes made in the statute, if needed.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On March 26, 2015, the State Affairs Committee adopted an amendment and reported the bill favorably. The amendment revised the bill to remove the repeal of s. 259.105(3)(m), F.S.

This analysis is drafted to the bill as amended and passed by the State Affairs Committee.

1 A bill to be entitled
2 An act relating to state lands; amending s. 253.034,
3 F.S.; providing legislative findings; revising
4 measurable objectives for management goals to include
5 the preservation of low-impact agriculture; requiring
6 updated land management plans to identify conservation
7 lands that could support low-impact agriculture and
8 conservation lands that are no longer needed and could
9 be disposed of; requiring that exchanges of
10 conservation lands result in an equal or greater
11 conservation benefit; requiring the Division of State
12 Lands to review state-owned conservation lands and
13 determine if such lands could support low-impact
14 agriculture or be disposed of; requiring the division
15 to submit a list of such lands to the Acquisition and
16 Restoration Council; requiring the council to provide
17 recommendations to the division and the Board of
18 Trustees of the Internal Improvement Trust Fund;
19 requiring that the division direct managing agencies
20 to offer agreements for low-impact agriculture on such
21 lands under certain conditions; providing
22 applicability of such agreements; directing the board
23 to dispose of such lands under certain conditions;
24 requiring the division to review certain
25 nonconservation lands and make recommendations to the
26 board as to whether such lands should be retained in

27 public ownership or disposed of; amending s. 253.42,
 28 F.S.; providing for private lands contiguous to state-
 29 owned lands to be exchanged for a permanent
 30 conservation easement over all or a portion of the
 31 privately owned lands; authorizing the use of such
 32 lands for low-impact agricultural purposes; providing
 33 conditions for approval of such exchanges; requiring
 34 that special consideration be given to exchanges that
 35 maintain public access for recreational purposes;
 36 providing limited liability for persons maintaining
 37 such public access; providing that permanent
 38 conservation easements over privately owned lands are
 39 subject to certain inspection; creating s. 253.87,
 40 F.S.; directing the Department of Environmental
 41 Protection to include certain county, municipal,
 42 state, and federal lands in the Florida State-Owned
 43 Lands and Records Information System (SOLARIS)
 44 database and to update the database at specified
 45 intervals; requiring counties, municipalities, and
 46 financially disadvantaged small communities to submit
 47 a list of certain lands to the department by a
 48 specified date and at specified intervals; directing
 49 the department to conduct a study and submit a report
 50 to the Governor and Legislature on the technical and
 51 economic feasibility of including certain lands in the
 52 database or a similar public lands inventory; amending

53 s. 259.105, F.S.; deleting obsolete provisions;
 54 requiring the council to give weight and increased
 55 priority to certain projects when developing proposed
 56 rules relating to Florida Forever funding and
 57 additions to the Conservation and Recreation Lands
 58 list; providing for the appeal of decisions made by
 59 the council; authorizing the board to direct the
 60 council to include certain lands on such list under
 61 certain conditions; amending ss. 259.035 and 373.199,
 62 F.S.; conforming cross-references; directing the
 63 department to consolidate specified parcels of
 64 conservation lands under a single, unified title and
 65 legal description by a specified date; providing an
 66 effective date.

67

68 Be It Enacted by the Legislature of the State of Florida:

69

70 Section 1. Subsection (1), paragraphs (b) and (e) of
 71 subsection (5), and subsection (6) of section 253.034, Florida
 72 Statutes, are amended to read:

73 253.034 State-owned lands; uses.—

74 (1)(a) The Legislature finds that the total land area of
 75 the state is approximately 34.7 million acres and, as of January
 76 1, 2014, approximately 3.2 million acres of conservation lands
 77 are titled in the name of the Board of Trustees of the Internal
 78 Improvement Trust Fund. Approximately 1.2 million acres of these

79 | conservation lands, which equal approximately 3.4 percent of the
80 | total land area of the state, are uplands located above the
81 | boundary of jurisdictional wetlands.

82 | (b) All lands acquired pursuant to chapter 259 shall be
83 | managed to serve the public interest by protecting and
84 | conserving land, air, water, and the state's natural resources,
85 | which contribute to the public health, welfare, and economy of
86 | the state. These lands shall be managed to provide for areas of
87 | natural resource based recreation, and to ensure the survival of
88 | plant and animal species and the conservation of finite and
89 | renewable natural resources. The state's lands and natural
90 | resources shall be managed using a stewardship ethic that
91 | assures these resources will be available for the benefit and
92 | enjoyment of all people of the state, both present and future.
93 | It is the intent of the Legislature that, where feasible and
94 | consistent with the goals of protection and conservation of
95 | natural resources associated with lands held in the public trust
96 | by the Board of Trustees of the Internal Improvement Trust Fund,
97 | public land not designated for single-use purposes pursuant to
98 | paragraph (2)(b) be managed for multiple-use purposes. All
99 | multiple-use land management strategies shall address public
100 | access and enjoyment, resource conservation and protection,
101 | ecosystem maintenance and protection, and protection of
102 | threatened and endangered species, and the degree to which
103 | public-private partnerships or endowments may allow the entity
104 | with management responsibility to enhance its ability to manage

105 | these lands. The Acquisition and Restoration Council created in
 106 | s. 259.035 shall recommend rules to the board of trustees, and
 107 | the board shall adopt rules necessary to carry out the purposes
 108 | of this section.

109 | (5) Each manager of conservation lands shall submit to the
 110 | Division of State Lands a land management plan at least every 10
 111 | years in a form and manner prescribed by rule by the board and
 112 | in accordance with the provisions of s. 259.032. Each manager of
 113 | conservation lands shall also update a land management plan
 114 | whenever the manager proposes to add new facilities or make
 115 | substantive land use or management changes that were not
 116 | addressed in the approved plan, or within 1 year of the addition
 117 | of significant new lands. Each manager of nonconservation lands
 118 | shall submit to the Division of State Lands a land use plan at
 119 | least every 10 years in a form and manner prescribed by rule by
 120 | the board. The division shall review each plan for compliance
 121 | with the requirements of this subsection and the requirements of
 122 | the rules established by the board pursuant to this section. All
 123 | land use plans, whether for single-use or multiple-use
 124 | properties, shall include an analysis of the property to
 125 | determine if any significant natural or cultural resources are
 126 | located on the property. Such resources include archaeological
 127 | and historic sites, state and federally listed plant and animal
 128 | species, and imperiled natural communities and unique natural
 129 | features. If such resources occur on the property, the manager
 130 | shall consult with the Division of State Lands and other

131 appropriate agencies to develop management strategies to protect
 132 such resources. Land use plans shall also provide for the
 133 control of invasive nonnative plants and conservation of soil
 134 and water resources, including a description of how the manager
 135 plans to control and prevent soil erosion and soil or water
 136 contamination. Land use plans submitted by a manager shall
 137 include reference to appropriate statutory authority for such
 138 use or uses and shall conform to the appropriate policies and
 139 guidelines of the state land management plan. Plans for managed
 140 areas larger than 1,000 acres shall contain an analysis of the
 141 multiple-use potential of the property, which analysis shall
 142 include the potential of the property to generate revenues to
 143 enhance the management of the property. Additionally, the plan
 144 shall contain an analysis of the potential use of private land
 145 managers to facilitate the restoration or management of these
 146 lands. In those cases where a newly acquired property has a
 147 valid conservation plan that was developed by a soil and
 148 conservation district, such plan shall be used to guide
 149 management of the property until a formal land use plan is
 150 completed.

151 (b) Short-term and long-term management goals shall
 152 include measurable objectives for the following, as appropriate:

- 153 1. Habitat restoration and improvement.
- 154 2. Public access and recreational opportunities.
- 155 3. Hydrological preservation and restoration.
- 156 4. Sustainable forest management.

- 157 5. Exotic and invasive species maintenance and control.
- 158 6. Capital facilities and infrastructure.
- 159 7. Cultural and historical resources.
- 160 8. Imperiled species habitat maintenance, enhancement,
- 161 restoration, or population restoration.
- 162 9. Preservation of low-impact agriculture.

163 (e) Land management plans are to be updated every 10 years
 164 on a rotating basis. Each updated land management plan must
 165 identify conservation lands under the plan, in part or in whole:

- 166 1. That could support low-impact agricultural uses while
 167 maintaining the land's conservation purposes.
- 168 2. That are no longer needed for conservation purposes and
 169 could be disposed of in fee simple or with the state retaining a
 170 permanent conservation easement.

171 (6) The board ~~of Trustees of the Internal Improvement~~
 172 ~~Trust Fund~~ shall determine which lands titled to, ~~the title to~~
 173 ~~which is vested in~~ the board, may be surplused. For conservation
 174 lands, the board shall determine whether the lands are no longer
 175 needed for conservation purposes and may dispose of them by an
 176 affirmative vote of at least three members. In the case of a
 177 land exchange involving the disposition of conservation lands,
 178 the board must determine by an affirmative vote of at least
 179 three members that the exchange will result in an equal or
 180 greater ~~a net positive~~ conservation benefit. For all other
 181 lands, the board shall determine whether the lands are no longer
 182 needed and may dispose of them by an affirmative vote of at

183 | least three members.

184 | (a) For the purposes of this subsection, all lands
 185 | acquired by the state before July 1, 1999, using proceeds from
 186 | Preservation 2000 bonds, the Conservation and Recreation Lands
 187 | Trust Fund, the Water Management Lands Trust Fund,
 188 | Environmentally Endangered Lands Program, and the Save Our Coast
 189 | Program and titled to the board which are identified as core
 190 | parcels or within original project boundaries are deemed to have
 191 | been acquired for conservation purposes.

192 | (b) For any lands purchased by the state on or after July
 193 | 1, 1999, before acquisition, the board must determine which
 194 | parcels must be designated as having been acquired for
 195 | conservation purposes. Lands acquired for use by the Department
 196 | of Corrections, the Department of Management Services for use as
 197 | state offices, the Department of Transportation, except those
 198 | specifically managed for conservation or recreation purposes, or
 199 | the State University System or the Florida College System may
 200 | not be designated as having been purchased for conservation
 201 | purposes.

202 | (c)1. At least every 10 years, the division shall review
 203 | all state-owned conservation lands titled to the board to
 204 | determine whether any such lands could support low-impact
 205 | agricultural uses while maintaining the land's conservation
 206 | purposes. After such review, the division shall submit a list of
 207 | such lands, including any additional lands identified in any
 208 | updated land management plan pursuant to subparagraph (5)(e)1.,

209 to the council. Within 9 months after receiving the list, the
 210 council shall provide recommendations to the division as to
 211 whether any such lands could support low-impact agricultural
 212 uses while maintaining the land's conservation purposes. After
 213 considering such recommendations, the division shall direct
 214 managing agencies to offer agreements for low-impact agriculture
 215 on lands that it determines could support such agriculture while
 216 maintaining the land's conservation purposes. This section does
 217 not prohibit a managing agency from entering into agreements as
 218 otherwise provided by law. An agreement entered into pursuant to
 219 this paragraph may not exceed a term of 10 years. However, an
 220 agreement may be renewed with the consent of the division as a
 221 ~~component of each land management plan or land use plan and in a~~
 222 ~~form and manner prescribed by rule by the board, each manager~~
 223 ~~shall evaluate and indicate to the board those lands that are~~
 224 ~~not being used for the purpose for which they were originally~~
 225 ~~leased. For conservation lands, the council shall review and~~
 226 ~~recommend to the board whether such lands should be retained in~~
 227 ~~public ownership or disposed of by the board. For~~
 228 ~~nonconservation lands, the division shall review such lands and~~
 229 ~~recommend to the board whether such lands should be retained in~~
 230 ~~public ownership or disposed of by the board.~~

231 2. At least every 10 years, the division shall review all
 232 state-owned conservation lands titled to the board to determine
 233 whether any such lands are no longer needed for conservation
 234 purposes and could be disposed of in fee simple or with the

235 state retaining a permanent conservation easement. After such
 236 review, the division shall submit a list of such lands,
 237 including additional conservation lands identified in an updated
 238 land management plan pursuant to subparagraph (5)(e)2., to the
 239 council. Within 9 months after receiving the list, the council
 240 shall provide recommendations to the board as to whether any
 241 such lands are no longer needed for conservation purposes and
 242 could be disposed of in fee simple or with the state retaining a
 243 permanent conservation easement. After reviewing such list and
 244 considering such recommendations, if the board determines by an
 245 affirmative vote of at least three members of the board that any
 246 such lands are no longer needed for conservation purposes, the
 247 board shall dispose of the lands in fee simple or with the state
 248 retaining a permanent conservation easement.

249 3. At least every 10 years, the division shall review all
 250 encumbered and unencumbered nonconservation lands titled to the
 251 board and recommend to the board whether any such lands should
 252 be retained in public ownership or disposed of by the board. The
 253 board may dispose of nonconservation lands under this paragraph
 254 by a majority vote of the board.

255 (d) Lands titled to ~~owned by~~ the board which are not
 256 actively managed by any state agency or for which a land
 257 management plan has not been completed pursuant to subsection
 258 (5) must be reviewed by the council or its successor for its
 259 recommendation as to whether such lands should be disposed of by
 260 the board.

261 (e) Before any decision by the board to surplus lands, the
 262 ~~Acquisition and Restoration~~ council shall review and make
 263 recommendations to the board concerning the request for
 264 surplusings. The council shall determine whether the request for
 265 surplusings is compatible with the resource values of and
 266 management objectives for such lands.

267 (f) In reviewing lands titled to ~~owned by~~ the board, the
 268 council shall consider whether such lands would be more
 269 appropriately owned or managed by the county or other unit of
 270 local government in which the land is located. The council shall
 271 recommend to the board whether a sale, lease, or other
 272 conveyance to a local government would be in the best interests
 273 of the state and local government. ~~The provisions of This~~
 274 paragraph does not ~~in no way~~ limit the provisions of ss. 253.111
 275 and 253.115. Such lands shall be offered to the state, county,
 276 or local government for ~~a period of~~ 45 days. Permittable uses
 277 for such surplus lands may include public schools; public
 278 libraries; fire or law enforcement substations; governmental,
 279 judicial, or recreational centers; and affordable housing
 280 meeting the criteria of s. 420.0004(3). County or local
 281 government requests for surplus lands shall be expedited
 282 throughout the surplusings process. If the county or local
 283 government does not elect to purchase such lands in accordance
 284 with s. 253.111, any surplusings determination involving other
 285 governmental agencies shall be made when the board decides the
 286 best public use of the lands. Surplus lands ~~properties~~ in which

287 governmental agencies have not expressed an no interest must
 288 ~~then~~ be available for sale on the private market.

289 (g) The sale price of lands determined to be surplus
 290 pursuant to this subsection and s. 253.82 shall be determined by
 291 the division, which shall consider an appraisal of the property,
 292 or, if the estimated value of the land is \$500,000 or less, a
 293 comparable sales analysis or a broker's opinion of value. The
 294 division may require a second appraisal. The individual or
 295 entity that requests to purchase the surplus parcel shall pay
 296 all costs associated with determining the property's value, if
 297 any.

298 1. A written valuation of land determined to be surplus
 299 pursuant to this subsection and s. 253.82, and related documents
 300 used to form the valuation or which pertain to the valuation,
 301 are confidential and exempt from s. 119.07(1) and s. 24(a), Art.
 302 I of the State Constitution.

303 a. The exemption expires 2 weeks before the contract or
 304 agreement regarding the purchase, exchange, or disposal of the
 305 surplus land is first considered for approval by the board.

306 b. Before expiration of the exemption, the division may
 307 disclose confidential and exempt appraisals, valuations, or
 308 valuation information regarding surplus land:

309 (I) During negotiations for the sale or exchange of the
 310 land.

311 (II) During the marketing effort or bidding process
 312 associated with the sale, disposal, or exchange of the land to

313 facilitate closure of such effort or process.

314 (III) When the passage of time has made the conclusions of
315 value invalid.

316 (IV) When negotiations or marketing efforts concerning the
317 land are concluded.

318 2. A unit of government that acquires title to lands
319 pursuant to this paragraph hereunder for less than appraised
320 value may not sell or transfer title to all or any portion of
321 the lands to any private owner for 10 years. Any unit of
322 government seeking to transfer or sell lands pursuant to this
323 paragraph must first allow the board ~~of trustees~~ to reacquire
324 such lands for the price at which the board sold such lands.

325 (h) Parcels with a market value over \$500,000 must be
326 initially offered for sale by competitive bid. The division may
327 use agents, as authorized by s. 253.431, for this process. Any
328 parcels unsuccessfully offered for sale by competitive bid, and
329 parcels with a market value of \$500,000 or less, may be sold by
330 any reasonable means, including procuring real estate services,
331 open or exclusive listings, competitive bid, auction, negotiated
332 direct sales, or other appropriate services, to facilitate the
333 sale.

334 (i) After reviewing the recommendations of the council,
335 the board shall determine whether lands identified for surplus
336 are to be held for other public purposes or are no longer
337 needed. The board may require an agency to release its interest
338 in such lands. A state agency, county, or local government that

339 has requested the use of a property that was to be declared as
 340 surplus must secure the property under lease within 90 days
 341 after being notified that it may use such property.

342 (j) Requests for surplusing may be made by any public or
 343 private entity or person. All requests shall be submitted to the
 344 lead managing agency for review and recommendation to the
 345 council or its successor. Lead managing agencies have 90 days to
 346 review such requests and make recommendations. Any surplusing
 347 requests that have not been acted upon within the 90-day ~~time~~
 348 period shall be immediately scheduled for hearing at the next
 349 regularly scheduled meeting of the council or its successor.
 350 Requests for surplusing pursuant to this paragraph are not
 351 required to be offered to local or state governments as provided
 352 in paragraph (f).

353 (k) Proceeds from any sale of surplus lands pursuant to
 354 this subsection shall be deposited into the fund from which such
 355 lands were acquired. However, if the fund from which the lands
 356 were originally acquired no longer exists, such proceeds shall
 357 be deposited into an appropriate account to be used for land
 358 management by the lead managing agency assigned the lands before
 359 the lands were declared surplus. Funds received from the sale of
 360 surplus nonconservation lands, or lands that were acquired by
 361 gift, by donation, or for no consideration, shall be deposited
 362 into the Internal Improvement Trust Fund.

363 (l) Notwithstanding this subsection, such disposition of
 364 land may not be made if it would have the effect of causing all

365 or any portion of the interest on any revenue bonds issued to
 366 lose the exclusion from gross income for federal income tax
 367 purposes.

368 (m) The sale of filled, formerly submerged land that does
 369 not exceed 5 acres in area is not subject to review by the
 370 council or its successor.

371 (n) The board may adopt rules to administer this section
 372 which may include procedures for administering surplus land
 373 requests and criteria for when the division may approve requests
 374 to surplus nonconservation lands on behalf of the board.

375 Section 2. Subsection (4) is added to section 253.42,
 376 Florida Statutes, to read:

377 253.42 Board of trustees may exchange lands.—The
 378 provisions of this section apply to all lands owned by, vested
 379 in, or titled in the name of the board whether the lands were
 380 acquired by the state as a purchase, or through gift, donation,
 381 or any other conveyance for which no consideration was paid.

382 (4) (a) A person who owns land contiguous to state-owned
 383 land titled to the board may submit a request directly to the
 384 board to exchange all or a portion of such state-owned land with
 385 the state retaining a permanent conservation easement for a
 386 permanent conservation easement over all or a portion of the
 387 privately owned land. State-owned land exchanged pursuant to
 388 this subsection shall be contiguous to the privately owned land
 389 upon which the state retains a permanent conservation easement.
 390 Such conservation easements shall allow the person to use the

391 land for low-impact agriculture. The Division of State Lands
 392 shall review such requests and provide recommendations to the
 393 board. This subsection does not apply to state-owned sovereign
 394 submerged land.

395 (b) The number of acres of state-owned land being
 396 exchanged must be equal to or less than the number of acres of
 397 privately held land that the person is willing to put under a
 398 permanent conservation easement.

399 (c) The board shall consider a request within 180 days
 400 after receipt of the request and may approve the request if:

401 1. At least 30 percent of the perimeter of the privately
 402 held land is bordered by state-owned land and the exchange does
 403 not create an inholding.

404 2. The approval does not result in a violation of the
 405 terms of a preexisting lease or agreement by the board, the
 406 department, the Department of Agriculture and Consumer Services,
 407 or the Fish and Wildlife Conservation Commission.

408 3. For state-owned land that was purchased for
 409 conservation purposes, the board makes a determination that the
 410 land is no longer needed for conservation purposes.

411 4. The approval does not conflict with any existing
 412 flowage easement.

413 5. The request is approved by at least three members of
 414 the board.

415 (d) Special consideration shall be given to a request that
 416 maintains public access for any recreational purpose allowed on

417 the state-owned land at the time the request is submitted to the
 418 board. A person who maintains public access pursuant to this
 419 paragraph is entitled to the limitation on liability provided in
 420 s. 375.251.

421 (e) Land subject to a permanent conservation easement
 422 granted pursuant to this subsection is subject to inspection by
 423 the department to ensure compliance with the terms of the
 424 permanent conservation easement.

425 Section 3. Section 253.87, Florida Statutes, is created to
 426 read:

427 253.87 Inventory of state, federal, and local government
 428 conservation lands by the Department of Environmental
 429 Protection.—

430 (1) By July 1, 2017, the Department of Environmental
 431 Protection shall include in the Florida State-Owned Lands and
 432 Records Information System (SOLARIS) database all federally
 433 owned conservation lands, all lands on which the federal
 434 government retains a permanent conservation easement, and all
 435 lands on which the state retains a permanent conservation
 436 easement. The department shall update the database at least
 437 every 5 years.

438 (2) (a) By July 1, 2017, for counties and municipalities,
 439 and by July 1, 2018, for financially disadvantaged small
 440 communities, as defined in s. 403.1838, and at least every 5
 441 years thereafter, respectively, each county, municipality, and
 442 financially disadvantaged small community shall identify all

443 conservation lands that it owns in fee simple and all lands on
 444 which it retains a permanent conservation easement and submit,
 445 in a manner determined by the department, a list of such lands
 446 to the department. Within 6 months after receiving such list,
 447 the department shall add such lands to the SOLARIS database.

448 (3) By January 1, 2017, the department shall conduct a
 449 study and submit a report to the Governor, the President of the
 450 Senate, and the Speaker of the House of Representatives on the
 451 technical and economic feasibility of including the following
 452 lands in the SOLARIS database or a similar public lands
 453 inventory:

454 (a) All lands on which local comprehensive plans, land use
 455 restrictions, zoning ordinances, or land development regulations
 456 prohibit the land from being developed or limit the amount of
 457 development to one unit per 40 or more acres.

458 (b) All publicly and privately owned lands for which
 459 development rights have been transferred.

460 (c) All privately owned lands under a permanent
 461 conservation easement.

462 (d) All lands owned by a nonprofit or nongovernmental
 463 organization for conservation purposes.

464 (e) All lands that are part of a mitigation bank.

465 Section 4. Subsections (5) through (21) of section
 466 259.105, Florida Statutes, are renumbered as subsections (4)
 467 through (20), respectively, present subsections (4), (11), and
 468 (14) are amended, and paragraph (m) is added to present

469 subsection (10) of that section, to read:

470 259.105 The Florida Forever Act.—

471 ~~(4) Notwithstanding subsection (3) and for the 2014-2015~~
 472 ~~fiscal year only, the funds appropriated in section 56 of the~~
 473 ~~2014-2015 General Appropriations Act may be provided to water~~
 474 ~~management districts for land acquisitions, including less than-~~
 475 ~~fee interest, identified by water management districts as being~~
 476 ~~needed for water resource protection or ecosystem restoration.~~
 477 ~~This subsection expires July 1, 2015.~~

478 (9)~~(10)~~ The Acquisition and Restoration Council shall
 479 recommend rules for adoption by the board of trustees to
 480 competitively evaluate, select, and rank projects eligible for
 481 Florida Forever funds pursuant to paragraph (3)(b) and for
 482 additions to the Conservation and Recreation Lands list pursuant
 483 to ss. 259.032 and 259.101(4). In developing these proposed
 484 rules, the Acquisition and Restoration Council shall give weight
 485 to the following criteria:

486 (m) The project allows the state to purchase a permanent
 487 conservation easement that would authorize existing low-impact
 488 agricultural uses to continue while achieving the intended
 489 conservation purpose.

490 (10)~~(11)~~ The Acquisition and Restoration Council shall
 491 give increased priority to:

492 (a) those Projects for which matching funds are available.

493 (b) and to Project elements previously identified on an
 494 acquisition list pursuant to this section that can be acquired

495 at 80 percent or less of appraised value.

496 (c) Projects that can be acquired in less than fee
 497 ownership, such as a permanent conservation easement.

498 (d) Projects that contribute to improving the quality and
 499 quantity of groundwater.

500 (e) Projects that contribute to improving the water
 501 quality and flow of springs.

502 ~~(f) The council shall also give increased priority to~~
 503 ~~those~~ Projects where the state's land conservation plans overlap
 504 with the military's need to protect lands, water, and habitat to
 505 ensure the sustainability of military missions including:

506 1.(a) Protecting habitat on nonmilitary land for any
 507 species found on military land that is designated as threatened
 508 or endangered, or is a candidate for such designation under the
 509 Endangered Species Act or any Florida statute;

510 2.(b) Protecting areas underlying low-level military air
 511 corridors or operating areas; and

512 3.(c) Protecting areas identified as clear zones, accident
 513 potential zones, and air installation compatible use buffer
 514 zones delineated by our military partners, and for which federal
 515 or other funding is available to assist with the project.

516 (13)-(14) An affirmative vote of at least five members of
 517 the Acquisition and Restoration Council shall be required in
 518 order to place a ~~proposed~~ project submitted pursuant to
 519 subsection (6) on the proposed project list developed pursuant
 520 to subsection (7) ~~(8)~~. Any member of the council who by family

521 or a business relationship has a connection with any project
 522 proposed to be ranked shall declare such interest before ~~prior~~
 523 ~~to~~ voting for a project's inclusion on the list. A decision by
 524 the council to not place a project on the proposed list may be
 525 appealed directly to the Board of Trustees of the Internal
 526 Improvement Trust Fund. Pursuant to such an appeal, the board,
 527 by an affirmative vote of at least three members of the board,
 528 may direct the council to place the project on the proposed
 529 project list.

530 Section 5. Paragraph (c) of subsection (4) of section
 531 259.035, Florida Statutes, is amended to read:

532 259.035 Acquisition and Restoration Council.—
 533 (4)

534 (c) In developing or amending rules, the council shall
 535 give weight to the criteria included in s. 259.105(9)
 536 ~~259.105(10)~~. The board of trustees shall review the
 537 recommendations and shall adopt rules necessary to administer
 538 this section.

539 Section 6. Paragraph (i) of subsection (4) of section
 540 373.199, Florida Statutes, is amended to read:

541 373.199 Florida Forever Water Management District Work
 542 Plan.—

543 (4) The list submitted by the districts shall include,
 544 where applicable, the following information for each project:

545 (i) Numeric performance measures for each project. Each
 546 performance measure shall include a baseline measurement, which

547 is the current situation; a performance standard, which water
 548 management district staff anticipates the project will achieve;
 549 and the performance measurement itself, which should reflect the
 550 incremental improvements the project accomplishes towards
 551 achieving the performance standard. These measures shall reflect
 552 the relevant goals detailed in s. 259.105 ~~259.105(4)~~.

553 Section 7. Consolidating titles to state-owned
 554 conservation lands.-As expeditiously as possible, but not later
 555 than July 1, 2018, the Department of Environmental Protection
 556 shall consolidate under a single, unified title and legal
 557 description all individually titled parcels of conservation
 558 lands solely owned by the Board of Trustees of the Internal
 559 Improvement Trust Fund that are contiguous to other parcels of
 560 conservation lands solely owned by the board.

561 Section 8. This act shall take effect July 1, 2015.

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 7135 (2015)

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	___	(Y/N)
ADOPTED AS AMENDED	___	(Y/N)
ADOPTED W/O OBJECTION	___	(Y/N)
FAILED TO ADOPT	___	(Y/N)
WITHDRAWN	___	(Y/N)
OTHER	_____	

1 Committee/Subcommittee hearing bill: Appropriations Committee
2 Representative Caldwell offered the following:

Amendment (with directory and title amendments)

Between lines 108 and 109, insert:

(2) As used in this section, the following phrases have the following meanings:

(e) "Low impact agriculture," as used in this chapter and chapter 259, means any agricultural activity that, when occurring on conservation land or on land under a conservation easement, is consistent with an adopted land management plan and does not adversely impact the land's conservation purpose.

D I R E C T O R Y A M E N D M E N T

Remove line 70 and insert:

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 7135 (2015)

Amendment No. 1

17 Section 1. Subsection (1), Subsection (2), paragraphs (b)
18 and (e) of

19
20 -----

21 T I T L E A M E N D M E N T

22 Remove line 3 and insert:
23 F.S.; providing legislative findings; creating a definition for
24 the term "low impact agriculture"; revising

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 7135 (2015)

Amendment No. 2

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	___	(Y/N)
ADOPTED AS AMENDED	___	(Y/N)
ADOPTED W/O OBJECTION	___	(Y/N)
FAILED TO ADOPT	___	(Y/N)
WITHDRAWN	___	(Y/N)
OTHER	_____	

1 Committee/Subcommittee hearing bill: Appropriations Committee
 2 Representative Caldwell offered the following:

Amendment (with title amendment)

Remove lines 179-180 and insert:

three members that the exchange will result in a ~~net~~ positive
conservation benefit. For all other

T I T L E A M E N D M E N T

Remove line 10 and insert:

conservation lands result in a positive

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 7135 (2015)

Amendment No. 3

18 to the division within 180 days. The division shall review the
19 request along with the recommendations provided by the council
20 and submit recommendations to the board 90 days after receipt of
21 the council's recommendations. This subsection does not apply to
22 state-owned sovereign submerged land.

23 (b) The number of acres of state-owned land being
24 exchanged must be equal to or less than the number of acres of
25 privately held land that the person is willing to put under a
26 permanent conservation easement.

27 (c) The board shall consider a request, along with the
28 recommendations of the division, within 180 days after receipt
29 of the request and recommendations of the division and may
30 approve the request if:

31 1. At least 30 percent of the perimeter of the privately
32 held land is bordered by state-owned land and the exchange does
33 not create an inholding.

34 2. The approval does not result in a violation of the
35 terms of a preexisting lease or agreement by the board, the
36 department, the Department of Agriculture and Consumer Services,
37 or the Fish and Wildlife Conservation Commission.

38 3. For state-owned lands purchased for conservation
39 purposes, the board makes a determination that the exchange of
40 land under this subsection will result in a positive
41 conservation benefit.
42

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 7135 (2015)

Amendment No. 4

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	___	(Y/N)
ADOPTED AS AMENDED	___	(Y/N)
ADOPTED W/O OBJECTION	___	(Y/N)
FAILED TO ADOPT	___	(Y/N)
WITHDRAWN	___	(Y/N)
OTHER	_____	

1 Committee/Subcommittee hearing bill: Appropriations Committee
2 Representative Caldwell offered the following:

3

4 **Amendment**

5 Remove line 499 and insert:

6 quantity of surface water and groundwater.

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 7135 (2015)

Amendment No. 5

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED ___ (Y/N)
ADOPTED AS AMENDED ___ (Y/N)
ADOPTED W/O OBJECTION ___ (Y/N)
FAILED TO ADOPT ___ (Y/N)
WITHDRAWN ___ (Y/N)
OTHER _____

1 Committee/Subcommittee hearing bill: Appropriations Committee
2 Representative Caldwell offered the following:

3

4 **Amendment (with title amendment)**

5 Remove lines 523-529 and insert:

6 ~~to~~ voting for a project's inclusion on the list.

7

8

9

T I T L E A M E N D M E N T

10 Remove lines 58-59 and insert:

11 list; authorizing the board to direct the

Amendment No. 6

17 F.S., as created by this act, and for the consolidation of
18 state-owned land titles pursuant to this act.

19

20

21

T I T L E A M E N D M E N T

22

Remove line 65 and insert:

23

24

legal description by a specified date; providing an

25

appropriation; providing an



APPROPRIATIONS COMMITTEE

Tuesday, April 7, 2015
1:30 PM – 3:30 PM
212 Knott Building

Addendum A

Steve Crisafulli
Speaker

Richard Corcoran
Chair

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. CS/HB 695 (2015)

Amendment No. 1a

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED ___ (Y/N)
ADOPTED AS AMENDED ___ (Y/N)
ADOPTED W/O OBJECTION ___ (Y/N)
FAILED TO ADOPT ___ (Y/N)
WITHDRAWN ___ (Y/N)
OTHER _____

1 Committee/Subcommittee hearing bill: Appropriations Committee
2 Representative Diaz, J. offered the following:

3
4 **Amendment to Amendment (399833) by Representative Avila**
5 Remove line 87 of the amendment and insert:
6 in which the assessments were made. For years where the number
7 of petitions filed increased from the prior year, the June 1
8 requirement shall be waived.

Amendment No. 3a

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	___	(Y/N)
ADOPTED AS AMENDED	___	(Y/N)
ADOPTED W/O OBJECTION	___	(Y/N)
FAILED TO ADOPT	___	(Y/N)
WITHDRAWN	___	(Y/N)
OTHER	_____	

1 Committee/Subcommittee hearing bill: Appropriations Committee
 2 Representative Wood offered the following:

3
 4 **Amendment to Amendment (399833) by Representative Avila**
 5 **(with title amendment)**

6 Between lines 5 and 6 of the amendment, insert:

7 Section 1. Subsection (2) of section 11.45, Florida
 8 Statutes, is amended, and a new paragraph (1) is added to that
 9 section, to read:

10 11.45 Definitions; duties; authorities; reports; rules.-

11 (2) DUTIES.- The Auditor General shall:

12 (h) At least every 3 years, conduct a performance audit of
 13 the Department of Revenue's administration of the ad valorem tax
 14 laws as described in ss. 195.096 and 1011.62. The audit report
 15 shall report on the activities of the ad valorem tax program of
 16 the Department of Revenue related to the ad valorem tax rolls.
 17 The Auditor General shall include, for at least four counties

Amendment No. 3a

18 reviewed, findings as to the accuracy of assessment procedures,
19 projections, and computations made by the department, using the
20 same generally accepted appraisal standards and procedures to
21 which the department and the property appraisers are required to
22 adhere. However, the report may not include any findings or
23 statistics related to any ad valorem tax roll that is in
24 litigation between the state and county officials at the time
25 the report is issued.

26 (1) At least every 3 years, conduct a performance audit of
27 the value adjustment board process provided in Chapter 194.
28 This audit must include: a sample of the county value adjustment
29 boards; the Department of Revenue's performance of its duties
30 regarding the value adjustment board process; and the state and
31 local implementation of recent legislation and rules relating to
32 the value adjustment board process. The scope of this audit
33 will be determined by the Auditor General.

34
35 -----
36 **T I T L E A M E N D M E N T**

37 Remove line 588 of the amendment and insert:
38 129.03, F.S.; revising audits; amending s. 129.03, F.S.;
39 revising the information required to be

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. CS/HB 695 (2015)

Amendment No. 5a

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	___	(Y/N)
ADOPTED AS AMENDED	___	(Y/N)
ADOPTED W/O OBJECTION	___	(Y/N)
FAILED TO ADOPT	___	(Y/N)
WITHDRAWN	___	(Y/N)
OTHER	_____	

1 Committee/Subcommittee hearing bill: Appropriations Committee
 2 Representative Wood offered the following:

3
 4 **Amendment to Amendment (399833) by Representative Avila**
 5 **(with directory amendment)**

6 Between lines 565 and 566 of the amendment, insert:

7 (7) The following statement shall appear after the values
 8 listed on the front of the second page:

9
 10 If you feel that the assessed ~~market~~ value of your property is
 11 inaccurate or ~~does not reflect fair market value,~~ or if you are
 12 entitled to an exemption or classification that is not reflected
 13 above, contact your county property appraiser at (phone number)
 14 or (location).

15 If the property appraiser's office is unable to resolve the
 16 matter as to assessed ~~market~~ value, classification, or an
 17 exemption, you may file a petition for adjustment with the Value

Amendment No. 5a

18 Adjustment Board. Petition forms are available from the county
19 property appraiser and must be filed ON OR BEFORE (date).

20

21

22

D I R E C T O R Y A M E N D M E N T

23

Remove lines 509-510 of the amendment and insert:

24

Section 14. Effective October 1, 2015, subsection (3),

25

paragraph (a) of subsection (4), and subsection (7) of section

26

200.069, Florida

Amendment No. 6a

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	___	(Y/N)
ADOPTED AS AMENDED	___	(Y/N)
ADOPTED W/O OBJECTION	___	(Y/N)
FAILED TO ADOPT	___	(Y/N)
WITHDRAWN	___	(Y/N)
OTHER	_____	

1 Committee/Subcommittee hearing bill: Appropriations Committee
 2 Representative Wood offered the following:

3
 4 **Amendment to Amendment (399833) by Representative Avila**
 5 **(with title amendment)**

6 Remove line 297 of the amendment and insert:
 7 petitioner may

8
 9 -----

T I T L E A M E N D M E N T

10 Remove lines 612-615 of the amendment and insert:
 11 of property record cards to a petitioner; requiring value
 12 adjustment boards to
 13

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. CS/HB 1063 (2015)

Amendment No. 1a

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED _____ (Y/N)
ADOPTED AS AMENDED _____ (Y/N)
ADOPTED W/O OBJECTION _____ (Y/N)
FAILED TO ADOPT _____ (Y/N)
WITHDRAWN _____ (Y/N)
OTHER

1 Committee/Subcommittee hearing bill: Appropriations Committee
2 Representative Fresen offered the following:

3
4 **Amendment to Amendment (657885) by Representative Metz**

5 Remove lines 535-540 of the amendment and insert:

6 ~~(a) a bonus or severance pay that is paid from sources~~
7 ~~other than public funds, or from revenues derived from patient~~
8 ~~services wholly from nontax revenues and nonstate-appropriated~~
9 ~~funds, the payment and receipt of which does not otherwise~~
10 ~~violate part III of chapter 112, and which is paid to an~~
11 ~~officer, agent, employee, or contractor of seaport, airport, or~~
12 ~~a public hospital that is operated by a county or a special~~
13 ~~district; or~~

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 1247 (2015)

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED ___ (Y/N)
ADOPTED AS AMENDED ___ (Y/N)
ADOPTED W/O OBJECTION ___ (Y/N)
FAILED TO ADOPT ___ (Y/N)
WITHDRAWN ___ (Y/N)
OTHER _____

1 Committee/Subcommittee hearing bill: Appropriations Committee
2 Representative Diaz, J. offered the following:

3
4 **Amendment (with title amendment)**

5 Between lines 23 and 24, insert:

6 (3) This section shall stand repealed on July 1, 2016,
7 unless reviewed and saved from repeal through reenactment by the
8 Legislature.

9
10 -----
11 **T I T L E A M E N D M E N T**

12 Remove line 6 and insert:
13 penalties; providing for repeal unless reenacted; providing an
14 effective date.