

## CHAPTER 2012-126

### Senate Bill No. 1986

An act relating to water management districts; amending s. 121.021, F.S.; revising the definitions of the terms “regularly established position” and “temporary position” for purposes of district positions within the state retirement system; amending s. 373.503, F.S.; authorizing the Legislature to set the maximum millage rate for each district; removing a provision requiring that the maximum property tax revenue for water management districts revert to the amount authorized for the prior year if the Legislature does not set the amount; removing the maximum revenues for the 2011-2012 fiscal year; creating s. 373.535, F.S.; requiring each water management district to submit a preliminary budget for legislative review; requiring the preliminary budget to include certain information; providing for annual review of the preliminary budget for each district; authorizing the President of the Senate and the Speaker of the House of Representatives to submit comments regarding the preliminary budget to the district; requiring each district to respond to the comments; authorizing a water management district to proceed with budget development if the Legislature takes no action after the review; providing for the preliminary budget reviewed by the Legislature to be the basis for developing each district’s tentative budget for the next fiscal year; amending s. 373.536, F.S.; requiring that budget amendments greater than a certain amount be reviewed and approved by the Executive Office of the Governor, which must notify the Legislative Budget Commission of such approval; requiring a district to provide a description of the budget control mechanisms to the Executive Office of the Governor for approval; providing that, upon review and approval by the Executive Office of the Governor and after providing notice of intention to amend to the Legislative Budget Commission, a water management district may amend unanticipated funds into its final budget; requiring the Executive Office of the Governor and the Legislative Budget Commission to be notified if a district governing board expends funds for a disaster or emergency; delaying the date that a district must begin providing, in the form and manner prescribed by the Department of Financial Services, a monthly financial statement to its governing board; providing criteria for the Legislative Budget Commission to use in approving the tentative budget of a district; authorizing the Legislative Budget Commission to reject certain district budget proposals; prohibiting a district from including a rejected proposition in its final budget or act through any other means without prior approval of the entity rejecting the provision; requiring that the district submit for review to a tentative budget and a description of any significant changes from the preliminary budget; revising components to be included in a district’s tentative budget; requiring that a 5-year water resource development work program describe the district’s implementation strategy and funding plan for water resource, water supply, and alternative water supply development components of each approved regional water supply plan; amending

s. 373.605, F.S.; authorizing the governing board of a water management district to provide group insurance for its employees and the employees of another water management district; creating s. 373.618, F.S.; providing for each water management district to own, acquire, develop, construct, operate, and manage a public information system; exempting local government review or approval of such public information system; exempting the system from outdoor advertising regulations; prohibiting water management districts from using public funds; authorizing the collection of funds from private sponsors who display commercial messages; providing effective dates.

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

Section 1. Effective October 1, 2012, paragraph (b) of subsection (52) and paragraph (b) of subsection (53) of section 121.021, Florida Statutes, are amended, and paragraph (c) is added to subsection (52) and paragraph (c) is added to subsection (53) of that section, to read:

121.021 Definitions.—The following words and phrases as used in this chapter have the respective meanings set forth unless a different meaning is plainly required by the context:

(52) “Regularly established position” means:

(b) With respect to a local agency employer (district school board, county agency, Florida College System institution ~~community college~~, municipality, metropolitan planning organization, charter school, charter technical career center, or special district), other than a water management district operating pursuant to chapter 373, a regularly established position that will be in existence for a period beyond 6 consecutive months, except as provided by rule.

(c) With respect only to a water management district operating pursuant to chapter 373, a position authorized in the district’s final adopted budget and compensated from a salaries and benefits appropriation or account.

(53) “Temporary position” means:

(b) With respect to a local agency employer, other than a water management district operating pursuant to chapter 373, a position that will exist for less than 6 consecutive months, or other position as determined by rule of the division, regardless of whether it will exist for 6 consecutive months or longer.

(c) With respect only to a water management district operating pursuant to chapter 373, a position not authorized in the district’s final adopted budget, and designated as a temporary position by the district.

Section 2. Subsection (4) of section 373.503, Florida Statutes, is amended to read:

373.503 Manner of taxation.—

(4)(a) To ensure that taxes authorized by this chapter continue to be in proportion to the benefits derived by the parcels of real estate within the districts, the Legislature shall annually review the preliminary budget for each district for the next fiscal year as provided in s. 373.535 and the ~~authorized millage rate for each district~~. Based upon the this review, the Legislature may enact legislation to shall set the authorized maximum millage rate or the maximum amount of property tax revenue to be raised by each district in the next fiscal year from the taxes levied. ~~Except as provided in paragraph (b), if the annual maximum amount of property tax revenue is not set by the Legislature on or before July 1 of each year, the maximum property tax revenue that may be raised reverts to the amount authorized in the prior year.~~

~~(b) For the 2011-2012 fiscal year, the total ad valorem taxes levied may not exceed \$3,946,969 for the Northwest Florida Water Management District, \$5,412,674 for the Suwannee River Water Management District, \$85,335,619 for the St. Johns Water Management District, \$107,766,957 for the Southwest Florida Water Management District, and \$284,901,967 for the South Florida Water Management District.~~

Section 3. Section 373.535, Florida Statutes, is created to read:

373.535 Preliminary district budgets.—

(1) BUDGET DEVELOPMENT.—

(a) By January 15 of each year, each water management district shall submit a preliminary budget for the next fiscal year for legislative review to the President of the Senate, the Speaker of the House of Representatives, and the chairs of each legislative committee and subcommittee having substantive or fiscal jurisdiction over water management districts, as determined by the President of the Senate or the Speaker of the House of Representatives, as applicable, in the form and manner prescribed in s. 373.536(5)(e). Each preliminary budget must also include:

1. A section that clearly identifies and provides justification for each proposed expenditure listed in s. 373.536(5)(e)4.e.-f. and identifies the source of funds for each proposed expenditure.

2. A section identifying the justification for proposed expenditures by core mission area of responsibility and the source of funds needed for activities related to water supply, including alternative water supply and water resource development projects identified in the district's regional water supply plans, water quality, flood protection and floodplain management, and natural systems.

3. A section reviewing the adopted and proposed budget allocations by program area and the performance metrics for the prior year.

4. An analysis of each preliminary budget to determine the adequacy of fiscal resources available to the district and the adequacy of proposed district expenditures related to the core mission areas of responsibility for water supply, including alternative water supply and water resource development projects identified in the district's regional water supply plans, water quality, flood protection and floodplain management, and natural systems. The analysis must be based on the particular needs within each district for core mission areas of responsibility. The water supply analysis must specifically include a determination of the adequacy of each district's fiscal resources provided in the district's preliminary budget to achieve appropriate progress toward meeting the districtwide 20-year projected water supply demands, including funding for alternative water supply development and conservation projects.

(b) If applicable, the preliminary budget for each district must specify that the district's first obligation for payment is the debt service on bonds and certificates of participation.

(2) LEGISLATIVE REVIEW.—

(a) The Legislature may annually review the preliminary budget for each district, including, but not limited to, those items listed in s. 373.536(5)(e) 4.d.-f., specific to regulation, outreach, management, and administration program areas.

(b) On or before March 1 of each year, the President of the Senate and the Speaker of the House of Representatives may submit comments regarding the preliminary budget to the districts, and provide a copy of the comments to the Executive Office of the Governor. Each district shall respond to the comments in writing on or before March 15 of each year to the President of the Senate, the Speaker of the House of Representatives, and the Executive Office of the Governor.

(c) If, following such review, the Legislature does not take any action pursuant to s. 373.503 on or before July 1 of each year, a water management district may proceed with budget development as provided in subsection (3) and s. 373.536.

(3) FUNDING AUTHORITY GRANTED.—Each district shall use the preliminary budget as submitted pursuant to subsection (1), and as may be amended by the district in response to review by the Legislature pursuant to this section and s. 373.503, as the basis for developing the tentative budget for the next fiscal year as provided in s. 373.536(5).

Section 4. Subsections (4), (5), and (6) of section 373.536, Florida Statutes, are amended to read:

373.536 District budget and hearing thereon.—

(4) BUDGET CONTROLS; FINANCIAL INFORMATION.—

(a) The final adopted budget for the district ~~is will thereupon~~ be the operating and fiscal guide for the district for the ensuing year; however, transfers of funds may be made within the budget by action of the governing board at a public meeting of the governing board. A budget amendment greater than \$1 million must be reviewed and approved by the Executive Office of the Governor. The office shall provide notice of approval to the Legislative Budget Commission.

(b) The district shall control its budget, at a minimum, by funds and shall ~~submit provide~~ to the Executive Office of the Governor a description of its budget control mechanisms for approval.

(c) ~~If Should~~ the district receives receive unanticipated funds after the adoption of the final budget, the final budget may be amended, following review and approval by the Executive Office of the Governor, by including such funds, ~~if so long as~~ notice of intention to amend is provided to the Legislative Budget Commission and is published in the notice of the governing board meeting at which the amendment will be considered, pursuant to s. 120.525. The notice must shall set forth a summary of the proposed amendment.

(d) ~~However,~~ In the event of a disaster or of an emergency arising to prevent or avert the same, the governing board ~~is shall~~ not be limited by the budget but may expend shall have authority to apply such funds as may be available ~~for the disaster or emergency therefor~~ or as may be procured for such purpose. In such an event, the governing board shall notify the Executive Office of the Governor and the Legislative Budget Commission as soon as practical, but within 30 days after the governing board's action.

~~(e)(d)~~ By September 1, ~~2012~~ 2011, each water management district shall provide a monthly financial statement in the form and manner prescribed by the Department of Financial Services to the district's its governing board and make such monthly financial statement available for public access on its website.

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

(a) The Executive Office of the Governor may approve or ~~and the Legislative Budget Commission are authorized to~~ disapprove, in whole or in part, the budget of each water management district. The Executive Office of the Governor shall analyze each budget as to the adequacy of fiscal resources available to the district and the adequacy of district expenditures related to water supply, including water resource development projects identified in the district's regional water supply plans; water quality; flood protection and floodplain management; and natural systems. This analysis shall be based on the particular needs within each water management district in those four areas of responsibility and shall be provided to the Legislative Budget Commission.

(b) The Executive Office of the Governor, the Legislative Budget Commission, and the ~~water management districts~~ shall develop a process to facilitate review and communication regarding the tentative budgets of districts water management district budgets, as necessary.

(c) The Legislative Budget Commission may reject any of the following district budget proposals:

1. A single purchase of land in excess of \$10 million, except for land exchanges.

2. Any cumulative purchase of land during a single fiscal year in excess of \$50 million.

3. Any issuance of debt on or after July 1, 2012.

4. Any program expenditures as described in sub-subparagraphs (e)4.e.-f. in excess of 15 percent of a district's total annual budget.

5. Any individual variances in a district's tentative budget in excess of 25 percent from a district's preliminary budget.

Written disapproval of any provision in the tentative budget must be received by the district at least 5 business days before ~~prior to~~ the final district budget adoption hearing conducted under s. 200.065(2)(d). If written disapproval ~~of any portion of the budget~~ is not received at least 5 business days ~~before~~ prior to the final budget adoption hearing, the governing board may proceed with final adoption. Any provision rejected by the Executive Office of the Governor or the Legislative Budget Commission ~~may~~ shall not be included in a district's final budget and may not be acted upon through any other means without the prior approval of the entity rejecting the provision.

(d)(e) ~~Each water management district shall, by August 1 of each year, submit for review a tentative budget and a description of any significant changes from the preliminary budget submitted to the Legislature pursuant to s. 373.535 to the Governor, the President of the Senate, the Speaker of the House of Representatives, the chairs of all legislative committees and subcommittees having substantive or fiscal jurisdiction over water management districts, as determined by the President of the Senate or the Speaker of the House of Representatives, as applicable the Legislative Budget Commission, the secretary of the department, and the governing body of each county in which the district has jurisdiction or derives any funds for the operations of the district. The tentative budget must be posted on the water management district's official website at least 2 days before budget hearings held pursuant to s. 200.065 or other law.~~

(e)(d) The tentative budget must be based on the preliminary budget as submitted to the Legislature, and as may be amended by the district in response to review by the Legislature pursuant to ss. 373.503 and 373.535, as the basis for developing the tentative budget for the next fiscal year as provided in this subsection, and must set forth the proposed expenditures of

the district, to which may be added an amount to be held as reserve. The tentative budget must include, but is not limited to, the following information for the preceding fiscal year and the current fiscal year, and the proposed amounts for the upcoming fiscal year, in a standard format prescribed by the Executive Office of the Governor, in consultation with the Legislature:

1. The estimated amount of funds remaining at the beginning of the fiscal year which have been obligated for the payment of outstanding commitments not yet completed.

2. The estimated amount of unobligated funds or net cash balance on hand at the beginning of the fiscal year; an accounting of the source, balance, and projected future use of the unobligated funds; and the estimated amount of funds to be raised by district taxes or received from other sources to meet the requirements of the district.

3. The millage rates and the percentage increase above the rolled-back rate, together with a summary of the reasons the increase is required, and the percentage increase in taxable value resulting from new construction within the district.

4. The salaries and benefits, expenses, operating capital outlay, number of authorized positions, and other personal services for the following program areas of the district:

- a. Water resource planning and monitoring;
- b. Land acquisition, restoration, and public works;
- c. Operation and maintenance of works and lands;
- d. Regulation;
- e. Outreach for which the information provided must contain a full description and accounting of expenditures for water resources education; public information and public relations, including public service announcements and advertising in any media; and lobbying activities related to local, regional, state and federal governmental affairs, whether incurred by district staff or through contractual services; and
- f. Management and administration.

In addition to the program areas reported by all water management districts, the South Florida Water Management District shall include in its budget document separate sections on all costs associated with the Everglades Construction Project and the Comprehensive Everglades Restoration Plan.

5. The total estimated amount in the district budget for each area of responsibility listed in subparagraph 4. and for water resource, water supply, and alternative water supply development projects identified in the district's regional water supply plans.

6. A description of each new, expanded, reduced, or eliminated program.

7. The funding sources, including, but not limited to, ad valorem taxes, Surface Water Improvement and Management Program funds, other state funds, federal funds, and user fees and permit fees for each program area.

(f) By September 5 of the year in which the budget is submitted, the chairs of each legislative committee and subcommittee having substantive or fiscal jurisdiction may transmit to each district comments and objections to the proposed budgets. Each district governing board shall include a response to such comments and objections in the record of the governing board meeting where final adoption of the budget takes place, and the record of this meeting shall be transmitted to the Executive Office of the Governor, the department, and the chairs of the legislative appropriations committees.

(g)(e) The Executive Office of the Governor shall annually, on or before December 15, file with the Legislature a report that summarizes its review of the water management districts' tentative budgets and displays the adopted budget allocations by program area. The report must identify the districts that are not in compliance with the reporting requirements of this section. State funds shall be withheld from a water management district that fails to comply with these reporting requirements.

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

(a) Each district must, by the date specified for each item, furnish copies of the following documents to the Governor, the President of the Senate, the Speaker of the House of Representatives, the chairs of all legislative committees and subcommittees having substantive or fiscal jurisdiction over the districts, as determined by the President of the Senate or the Speaker of the House of Representatives as applicable, the secretary of the department, and the governing board of each county in which the district has jurisdiction or derives any funds for the operations of the district:

1. The adopted budget, to be furnished within 10 days after its adoption.

2. A financial audit of its accounts and records, to be furnished within 10 days after its acceptance by the governing board. The audit must be conducted in accordance with ~~the provisions of~~ s. 11.45 and the rules adopted thereunder. In addition to the entities named above, the district must provide a copy of the audit to the Auditor General within 10 days after its acceptance by the governing board.

3. A 5-year capital improvements plan, to be included in the consolidated annual report required by s. 373.036(7). The plan must include expected sources of revenue for planned improvements and must be prepared in a manner comparable to the fixed capital outlay format set forth in s. 216.043.

4. A 5-year water resource development work program to be furnished within 30 days after the adoption of the final budget. The program must



describe the district's implementation strategy and funding plan for the water resource, water supply, and alternative water supply development components ~~component~~ of each approved regional water supply plan developed or revised under s. 373.709. The work program must address all the elements of the water resource development component in the district's approved regional water supply plans and must identify which projects in the work program which will provide water;<sup>5</sup> explain how each water resource, water supply, and alternative water supply development project will produce additional water available for consumptive uses;<sup>5</sup> estimate the quantity of water to be produced by each project;<sup>5</sup> and provide an assessment of the contribution of the district's regional water supply plans in providing sufficient water needed to timely meet the water supply needs of existing and future reasonable-beneficial uses for a 1-in-10-year drought event.

(b) Within 30 days after its submittal, the department shall review the proposed work program and submit its findings, questions, and comments to the district. The review must include a written evaluation of the program's consistency with the furtherance of the district's approved regional water supply plans, and the adequacy of proposed expenditures. As part of the review, the department shall give interested parties the opportunity to provide written comments on each district's proposed work program. Within 45 days after receipt of the department's evaluation, the governing board shall state in writing to the department which of the changes recommended in the evaluation it will incorporate into its work program submitted as part of the March 1 consolidated annual report required by s. 373.036(7) or specify the reasons for not incorporating the changes. The department shall include the district's responses in a final evaluation report and shall submit a copy of the report to the Governor, the President of the Senate, and the Speaker of the House of Representatives.

~~(c)(b)~~ If any entity listed in paragraph (a) provides written comments to the district regarding any document furnished under this subsection, the district must respond to the comments in writing and furnish copies of the comments and written responses to the other entities.

~~(d)(e)~~ The final adopted budget must be posted on the water management district's official website within 30 days after adoption.

Section 5. Section 373.605, Florida Statutes, is amended to read:

373.605 Group insurance for water management districts.—

(1) The governing board of a any water management district may is hereby ~~authorized and empowered to~~ provide group insurance for its employees, and the employees of another water management district, in the same manner and with the same provisions and limitations authorized for other public employees under by ss. 112.08, 112.09, 112.10, 112.11, and 112.14.

~~(2) Any and all insurance agreements in effect as of October 1, 1974, which conform to the provisions of this section are hereby ratified.~~

Section 6. Section 373.618, Florida Statutes, is created to read:

373.618 Public service warnings, alerts, and announcements.—The Legislature believes it is in the public interest that all water management districts created pursuant to s. 373.069 own, acquire, develop, construct, operate, and manage public information systems. Public information systems may be located on property owned by the water management district, upon terms and conditions approved by the water management district, and must display messages to the general public concerning water management services, activities, events, and sponsors, as well as other public service announcements, including watering restrictions, severe weather reports, amber alerts, and other essential information needed by the public. Local government review or approval is not required for a public information system owned or hereafter acquired, developed, or constructed by the water management district on its own property. A public information system is exempt from the requirements of chapter 479. Water management district funds may not be used to pay the cost to acquire, develop, construct, operate, or manage a public information system. Any necessary funds for a public information system shall be paid for and collected from private sponsors who may display commercial messages.

Section 7. Except as otherwise expressly provided in this act, this act shall take effect July 1, 2012.

Approved by the Governor April 20, 2012.

Filed in Office Secretary of State April 20, 2012.