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An Overview of Special District Requirements

Association of Florida Conservation Districts

-10th Annual Meeting -

Saturday, August 2, 2014

Jack Gaskins Jr.

Special District Accountability Program



Introduction

- Jack Gaskins Jr.
- Administers the one-person Special District Accountability Program at the Department of Economic Opportunity:
 - Maintains on our website:
 - The [Florida Special District Handbook](#) to help special districts comply with state and local requirements
 - The [Official List of Special Districts](#) to help state and local agencies monitor special districts
 - The website address for all special districts (New)
 - Special district noncompliance reports from six state agencies for public review (New)



Introduction

- Special District Accountability Program (continued)
 - Helps state and local agencies collect delinquent reports and information from special districts on noncompliance reports
 - Helps delinquent special district comply with reporting requirements when they appear on noncompliance reports
 - Initiates circuit court enforcement when special districts do not come into compliance with reporting requirements
 - Declares special districts inactive for dissolution
 - Provides technical advisory assistance related to the [Uniform Special District Accountability Act \(Chapter 189, Florida Statutes\)](#)
 - Collects an annual \$175 fee from special districts to cover costs



What is a special district?

- A special district is
 - **local special-purpose government** (*collegial body with authority to govern public services and facilities*) as opposed to a general-purpose government, with jurisdiction to operate within a limited geographical area, and is created by:
 - general law,
 - special act,
 - local ordinance, or by
 - rule of the Governor and Cabinet



Soil and Water Conservation Districts

- Soil and water conservation districts are special districts because:
 - They have a governing body exercising public powers specified in Florida law
 - They have jurisdiction to operate within a limited geographic boundary, and
 - They were created by general law authority (Chapter 582, *Florida Statutes*)



Status: Dependent or Independent

- Special districts are either:
 - Dependent
 - or
 - Independent
- Florida has 59 soil and water conservation districts:
 - Four are dependent (Blackwater, Glades, Hendry, and Madison)
 - The remaining 55 are independent



Status: Dependent or Independent

- **Dependent S&WCDs:** The county has one or more of the following powers:
 - Designates all of its governing body members to also serve as the governing body for the district
 - Appoints all members to the district's governing body
 - Can remove any governing body member at will during unexpired terms
 - Approves or may veto the district's budget
- **Independent S&WCDs:** The county does not have any of those powers



Snapshot of Florida's Special Districts

- Every parcel in Florida is covered by at least one special district
- Some are large and operate in multiple counties
- Others serve a small neighborhood using all volunteer staff
- Not all have taxing authority
- Many operate with very little funding (less than \$3,000 per year) or no funding at all



Snapshot of Florida's Special Districts

– Top specialized functions (out of 75):

1. Community Development:	581
2. Community Redevelopment:	214
3. Housing Authorities:	93
4. Drainage and Water Control:	86
5. Fire Control and Rescue:	65
6. Soil and Water Conservation:	59
7. Neighborhood Enhancement:	50
8. Neighborhood Improvement:	31
9. Airports / Air Navigation Facilities:	27



Snapshot of Florida's Special Districts

– Total:	1,641
• Independent:	1,003
• Dependent:	638
• Single County:	1,570
• Multicounty:	71
• Active:	1,630
• Inactive:	11
• Dissolved since 1989:	303

Source: Official List of Special Districts, August 1, 2014



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Snapshot of Florida's Special Districts

- **Current Affairs - Common Opinions:**
 - Special districts have no oversight and are not accountable
 - Special districts are not doing what they should be doing
 - Special districts duplicate municipal / county services
 - Special districts are shadow government
 - Special districts are a dictatorship and they are abusing their authority
 - Special districts overspend and waste taxpayer money
- **Fact: Some special districts are not in compliance with state reporting requirements**



Snapshot of Florida's Special Districts

- **Result: Special districts are out of favor with some citizens and politicians and are under the microscope**
 - Executive Order #12-10 ([review of special districts](#))
 - Evolving laws – [Chapter 2014-22, Laws of Florida](#), increases accountability, oversight, and transparency:
 - Joint Legislative Auditing Committee or city / county may hold a public hearing when a special district does not comply with financial reporting requirements (N/A for S&WCDs)
 - New General Oversight Review Process
 - All special districts must have a website by October 1, 2015
 - Additional special district legislation is likely in 2015



Special District Benefits

- Empower citizens to govern their own neighborhood / community
- Financing mechanism for the private and public sectors to govern, finance, construct, operate, and maintain essential public services and facilities
- Only those who benefit from the services pay
- Provide enhanced / specialized public services in response to citizen demand that a county or municipality is unable or unwilling to offer



Special District Benefits

- People with the appropriate expertise and skills can be appointed / elected to govern and oversee the specialized function(s)
- Provide governmental services when the need transcends the boundaries, responsibilities, and authority of individual counties and municipalities
- Helps protect property values by continuously providing and maintaining services and facilities



Special District Benefits

- Saves money for citizens by selling tax-exempt bonds, purchasing goods and services tax-free, and participating in state programs and initiatives, such as state-term contracting
- Ensures **transparency, accountability,** and **oversight** of public resources, since special districts are held to the same high standards as municipalities and counties – and then some





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SPECIAL DISTRICT TRANSPARENCY



Special District Transparency

- **Special districts must send the following to the Special District Accountability Program:**
 - Creation Document and Boundary Map, as amended
 - The Annual Update Form (when paying the special district fee (\$175) or requesting a zero annual fee)
 - Changes to your Registered Agent / Registered Office:
 - Name / Address / Phone / Fax / Email
 - Official Website Address (By October 1, 2015)



Special District - Transparency

- **All special districts must adopt a regular public meeting schedule**
 - Provide date, time and location of each meeting
 - Provide statement on how to appeal an official decision
 - Adopt quarterly, semiannually, or annually
 - Publish in the legal notices / classified advertisement section of a local newspaper of general paid circulation
 - Promptly record minutes (electronic recording or written transcript is not required) and make available for public inspection



Special District Transparency

- **All special districts must adopt an annual budget**
 - Follow generally accepted accounting principles
 - Show budgeted revenues and expenditures by organizational unit for each fund
 - Show budget details at least at the same level of detail required for the Annual Financial Report
 - Post the **tentative budget** on the district's official website (or county / municipality) at least two days before the budget hearing (if required by Section, 200.065, *Florida Statutes*, Method of fixing millage)



Special District Transparency

- **All special districts must adopt an annual budget (continued)**
 - Adopt final budget by resolution at a regular public meeting
 - Post final budget on official website within 30 days
 - OK to amend during the fiscal year or up to 60 days after the fiscal year end
 - Never spend unless the expense is authorized by:
 - The charter / law under which the district operates, and,
 - The adopted annual budget



Special District Transparency

- **All special districts must send the following to the County Clerk:**
 - Registered agent / registered office information
 - Public meeting schedule
 - Budget, tax levy, and / or financial information
 - Independent: only if requested
 - Dependent: must provide so the county can include the budget within its own budget (unless they agree to a separate budget)



Special District Transparency

- **NEW: All special districts must develop and maintain an official website by October 1, 2015**
 - Independent special districts must have a separate website
 - Dependent special districts must:
 - Have a website within the County's website with a link on the County's home page, or,
 - maintain a separate website
 - Submit the website address to the Special District Accountability Program for posting on our website
 - More information will be included with the annual special district fee invoice and update form in October





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SPECIAL DISTRICT ACCOUNTABILITY



Special District Accountability

- **Comply with accountability laws, as applicable:**
 - Creation document / charter
 - Laws specific to its function - Chapter 582, *Florida Statutes*
 - Seven constitutional provisions
 - More than 30 general laws, such as Government-in-the-Sunshine, financial reporting, Ethics, and Elections
 - [Uniform Special District Accountability Act \(Ch. 189, F.S.\)](#)
 - “Umbrella law” that provides general accountability requirements for all types of special districts and consequences for noncompliance



Special District Accountability

- **All special districts* must electronically submit the Annual Financial Report to the Department of Financial Services by June 30 every year:**
 - Complete form online: <https://apps.fldfs.com/LocalGov/>
 - Input annual revenues, expenditures, and long-term debt for the fiscal year (October 1 – September 30), even if those figures are zero
 - Submit the form

* Dependent S&WCDs must send this information to the county so they can include it in their Annual Financial Report



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Special District Accountability

- **All special districts must send an Annual Financial Audit Report* to the Auditor General and Department of Financial Services if the special district's fiscal year revenues or combined expenditures / expenses:**
 - exceed \$100,000 or,
 - fall between \$50,000 and \$100,000 - but the special district has not had a financial audit for the previous two fiscal years

*An Annual Financial Audit Report covers the results of a financial audit conducted and prepared by an independent CPA chosen by an auditor selection committee. It is due within 45 days after the CPA delivers the audit to the governing body or by **June 30** at the latest.





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SPECIAL DISTRICT OVERSIGHT



Special District Oversight

- **What happens if a special district fails to provide the Annual Financial Report and / or the Annual Financial Audit Report?**
 - The Department of Financial Services / Auditor General and/or Joint Legislative Auditing Committee sends a noncompliance report to the Special District Accountability Program
 - Program posts noncompliance report on its website (www.FloridaJobs.org/Noncompliance)



Special District Oversight

- **What happens if a special district fails to provide the Annual Financial Report and / or the Annual Financial Audit Report? (continued)**
 - The Program must mail a certified technical assistance letter to the special district that:
 - Explains the requirement
 - Explains how to avoid the noncompliance in the future
 - Requires the special district to either (1) file the report within 60 days or (2) answer three questions if it is unable to do so
 - Most special districts meet this 60-day deadline



Special District Oversight

- **What happens if a special district fails to provide the Annual Financial Report and / or the Annual Financial Audit Report within the 60-days?**
 - The Joint Legislative Auditing Committee meets to determine whether to:
 - Continue to monitor the special district based on circumstances explained when the special district answered the three questions; or,
 - Direct the Special District Accountability Program to:
 - Declare it inactive for dissolution, or
 - Initiate enforcement through the circuit court



Special District Oversight

- **Other governmental oversight is by:**
 - Governing body members, who must ensure the special district complies with all applicable laws
 - Citizens, who attend governing body meetings to observe the discussions, deliberations, and formal actions
 - The local state attorney's office, which may investigate public record law violations
 - The Commission on Ethics, which may investigate ethics complaints



Special District Oversight

- **Other general governmental oversight (continued):**
 - Certified Public Accountants, who must report suspected illegal activity to the governing board and / or the Florida Department of Law Enforcement
 - The Auditor General, which can audit governmental entities
 - The Joint Legislative Auditing Committee, which may investigate audit matters and use its powers of subpoena
 - Unique to special districts: The President of the Senate and Speaker of the House of Representatives may direct an oversight review of a S&WCD



Help is Always Available

- Special District Accountability Program:
 - www.FloridaJobs.org/SpecialDistricts
- Official List of Special Districts
 - www.FloridaJobs.org/OfficialList
- Florida Special District Handbook:
 - www.FloridaJobs.org/SpecialDistrictHandbook
- Specialty Area Contacts:
 - www.FloridaJobs.org/SpecialDistrictHelp

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