

HOUSE OF REPRESENTATIVES STAFF FINAL BILL ANALYSIS

BILL #: CS/HB 1547 Local Government Actions

SPONSOR(S): Local Administration, Federal Affairs & Special Districts Subcommittee, McClure

TIED BILLS: **IDEN./SIM. BILLS:** CS/CS/SB 1628

FINAL HOUSE FLOOR ACTION: 84 Y's 30 N's **GOVERNOR'S ACTION:** Approved

SUMMARY ANALYSIS

CS/HB 1547 passed the House on March 6, 2024, as CS/CS/SB 1628.

Before enactment of a proposed ordinance, a county or municipality must prepare a business impact estimate. The estimate must be published on the county's or municipality's website no later than the date the notice of proposed enactment is published in the newspaper and include information estimating the impact of the proposed ordinance on businesses operating in the jurisdiction. Certain types of ordinances are exempt from this requirement, including ordinances relating to growth policy, county and municipal planning, and land development regulation.

Counties, municipalities, and other local governments have limited authority to issue bonds and other certificates of indebtedness. Unless the bond is issued to refund prior bond issues, the local government must submit the proposed bond for approval by the voters in a referendum held with a primary or general election or a special election called for other purposes.

The bill revises the exemption to the requirement that counties and municipalities prepare or have prepared a business impact estimate for land use related ordinances to limit the exemption to development orders, permits, and agreements. The bill also requires a referendum for any local government bond issue exceeding \$500 million to be held at a general election.

The bill may have a fiscal impact on state and local governments.

The bill was approved by the Governor on May 6, 2024, ch. 2024-145, L.O.F., and will become effective on October 1, 2024.

I. SUBSTANTIVE INFORMATION

A. EFFECT OF CHANGES:

Present Situation

Ordinances

The Florida Constitution grants local governments broad home rule authority. Non-charter county governments may exercise those powers of self-government that are provided by general or special law.¹ Counties operating under a county charter have all powers of self-government not inconsistent with general law or special law approved by the vote of the electors.² Municipalities have governmental, corporate, and proprietary powers that enable them to conduct municipal government, perform municipal functions and provide municipal services, and exercise any power for municipal purposes except when expressly prohibited by law.³ A local government enactment may be inconsistent with state law if the State Constitution preempts the subject area, the Legislature preempts the subject area, or the local enactment conflicts with a state statute.

Local governments exercise their powers by adopting ordinances. The adoption or amendment of a regular ordinance, other than an ordinance making certain changes to zoning, may be considered at any regular or special meeting of the local governing body.⁴ Notice of the proposed ordinance must be published at least 10 days before the meeting in a newspaper of general circulation in the area; state the date, time, and location of the meeting, the title of the proposed ordinance, and locations where the proposed ordinance may be inspected by the public; and advise that interested parties may appear and speak at the meeting. Municipal ordinances must also be read by title or in full on at least two separate days.⁵ Ordinances may only encompass a single subject and may not be revised or amended solely by reference to the title.⁶

A county may adopt an emergency ordinance that bypasses the notice requirement if the governing body declares that an emergency exists requiring the immediate enactment of the ordinance and the ordinance is approved by a four-fifths vote.⁷ A municipality may adopt an emergency ordinance by two-thirds vote of the municipal governing body.⁸ An emergency ordinance may not be used to adopt zoning changes.⁹

¹ Art. VIII, s. 1(f), Fla. Const.

² Art. VIII, s. 1(g), Fla. Const.

³ Art. VIII, s. 2(b); *see also* s. 166.021(1), F.S.

⁴ *See* ss. 125.66(2)(a) and 166.041, F.S. In addition to general notice requirements, a local government must provide written notice by mail to all property owners before adopting a zoning change involving less than 10 contiguous acres. Ss. 125.66(4)(a) and 166.041(3)(c)1., F.S. If a zoning change involves 10 or more contiguous acres, the local government must conduct two public hearings, advertised in a newspaper, before adopting the ordinance. Ss. 125.66(4)(b) and 166.041(3)(c)2., F.S.

⁵ S. 166.041(3)(a), F.S.

⁶ Ss. 125.67 and 166.041(2), F.S.

⁷ S. 125.66(3), F.S.

⁸ S. 166.041(3)(b), F.S.

⁹ Ss. 125.66(3) and 166.041(3)(b), F.S.

Business Impact Estimates

Before enactment of a proposed ordinance, a county or municipality must prepare a business impact estimate.¹⁰ The estimate must be published on the county or municipality's website no later than the date the notice of proposed enactment is published in the newspaper and must include:

- A summary of the proposed ordinance, including a statement of the public purpose it serves.
- An estimate of the direct economic impact of the proposed ordinance on private for-profit businesses in the county's or municipality's jurisdiction, including the following, if any:
 - An estimate of direct compliance costs businesses may reasonably incur if the ordinance is enacted.
 - Identification of any new charge or fee on businesses subject to the proposed ordinance or for which businesses will be financially responsible.
 - An estimate of the county's or municipality's regulatory costs, including an estimate of revenues from any new charges or fees that will be imposed to cover such costs.
- A good faith estimate of the number of businesses likely to be impacted by the ordinance.
- Any additional information that the county or municipality determines may be useful.¹¹

A county or municipality is not required to procure an accountant or other financial consultant to prepare the estimate.¹²

The following types of ordinances are exempt from the requirement to prepare a business impact estimate:

- Ordinances enacted to implement part II of ch. 163, F.S., relating to growth policy, local planning, or land development regulation; s. 553.73, F.S., relating to the Florida Building Code; s. 633.202, F.S., relating to the Florida Fire Prevention Code; or ss. 190.005 and 190.046, F.S., relating to creating, dissolving, or adjusting the boundaries of a community development district.
- Ordinances related to the issuance or refinancing of debt.
- Ordinances required to comply with a federal or state law or regulation.
- Ordinances related to the adoption of budgets or budget amendments, including revenue sources necessary to fund the budget.
- Ordinances required to implement a contract or an agreement.
- Ordinances related to procurement.
- Emergency ordinances.¹³

Local Government Bond Authority

The Florida Constitution provides limited authority for counties, school districts, municipalities, special districts, and local governmental bodies with taxing powers to issue bonds, certificates of indebtedness, or any other form of tax anticipation certificate, maturing more than 12 months from the date of issue and payable from ad valorem taxes.¹⁴ Local governments may only issue such bonds or other debt instruments to finance or refinance capital projects authorized by law and only after approval by the qualified electors of the jurisdiction voting in a referendum.¹⁵ The referendum requirement does not apply to bonds issued to refund outstanding bonds and any interest and redemption premium on such

¹⁰ Ss. 125.66(3)(a) and 166.041(4)(a), F.S.

¹¹ *Id.*

¹² Ss. 125.66(3)(b) and 166.041(4)(b), F.S.

¹³ Ss. 125.66(3)(c) and 166.041(4)(c), F.S.

¹⁴ Art. VII, s. 12, Fla. Const.

¹⁵ Art. VII, s. 12(a), Fla. Const.

bonds at a lower net average interest rate.¹⁶ General law implements local government bond authority.¹⁷

A local government calling a bond referendum may hold the referendum in conjunction with any regularly-scheduled state, county, or municipal primary or general election or any special election called for any purpose other than voting on such bonds.¹⁸ If held concurrently with a regularly-scheduled election, the local government holding the bond referendum must pay only its pro rata share of the election costs directly related to the bond referendum.

Effect of the Bill

The bill revises the exemption to the requirement that counties and municipalities prepare or have prepared a business impact estimate prior to passing an ordinance. Whereas current law exempts the entirety of growth policy, county and municipal planning, and land development regulations under part II of ch. 163, F.S., the bill limits this exemption to development orders, permits, and agreements.

The bill also requires that the referendum for any local government bond issue exceeding \$500 million must be held at a general election.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

The bill may increase county and municipal expenditures to the extent additional staff time and resources are necessary to produce business impact estimates for land use related ordinances that are exempt from this requirement under current law.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

¹⁶ Art. VII, s. 12(b), Fla. Const.

¹⁷ See ss. 125.013 (counties), 166.121 (municipalities), and 189.031(3)(b) and 189.051, F.S. (independent special districts), and ch. 1010, Part IV (school districts), F.S.; see *also* ss. 218.369 and 218.385, F.S.

¹⁸ S. 100.261, F.S.