



FLORIDA
COMMERCE

Understanding the Role of Special Districts

Special District Accountability Program

April 18, 2024

What is a special district?

- In 1989, the Florida Legislature adopted [Chapter 189, Florida Statutes – the Uniform Special District Accountability Act](#) (Act). The Act provides the general provisions for the definition, creation, and operation of special districts.
- The Act defines a special district as a unit of local government created for a special purpose, as opposed to a general purpose, that has jurisdiction to operate within a limited geographic boundary and is created by one of the following:
 - General law
 - Special act
 - Local ordinance
 - Rule of the Governor and Cabinet
- The Act excludes from the term “special district” school districts, community college districts, a special improvement district created pursuant to section 285.17, Florida Statutes, (the Seminole Tribe of Florida and the Miccosukee Tribe of Indians of Florida), municipal service taxing or benefit units, and boards that provide electrical service and are a political subdivision of a municipality or part of a municipality.



What are the most common special purposes?

Top Special Purposes (out of 76)

Top Ten Special Purposes	Status	Totals as of April 2024
1. Community Development	Independent	981
2. Community Redevelopment	Dependent	216
3. Housing Authority	Both	91
4. Drainage and Water Control	Both	82
5. Fire Control and Rescue	Both	64
6. Soil and Water Conservation	Both	53
7. Neighborhood Enhancement	Dependent	46
8. Hospitals (all types)	Both	27
9. Housing Finance	Dependent	24
10. Health Facilities	Dependent	23

For up-to-date and other totals, visit www.FloridaJobs.org/OfficialList.



How are special districts governed?

- Each special district has a governing body with explicit, specified authority derived from its creation document and/or law under which it operates. Common types of governing bodies include:
 - Elected
 - Membership identical to a single county or a single municipality
 - Appointed by a single county or a single municipality
 - Appointed by more than a single county or a single municipality
 - Appointed by the Governor
 - Specified individuals
 - Combinations of the above



What is the difference between dependent and independent special districts?

- A special district is dependent if a single county or a single municipality has authority to do one or more of the following:
 - Designate its governing body members to serve as the governing body members for the special district;
 - Appoint all members to the special district's governing body;
 - Remove any governing body member at will during unexpired terms; or
 - Approve or veto the special district's budget.
- A special district is independent if none of the above apply. Multicounty special districts are independent, unless situated wholly within the boundaries of a single municipality.
- Reporting requirements and authority to create vary between dependent and independent special districts.



How are dependent special districts created?

- Dependent special districts may be created for any special-purpose with the exception of law enforcement.
- A single county or a single municipality may create a dependent special district by adopting a local ordinance that includes:
 - The special district's purpose, powers, functions, and duties.
 - The special district's boundary limitations.
 - The special district's authority.
 - An explanation of why the special district is the best alternative.
 - The governing body's membership, organization, compensation, and administrative duties.
 - Applicable financial disclosure, noticing, and reporting requirements.
 - Financing methods.
 - A declaration that the creation of the special district is consistent with the approved local government comprehensive plans.



How are dependent special districts created?

- A single county or a single municipality may enact a dependent special district established by general law by passing a resolution declaring a need for the special district. Examples include:
 - Educational facilities authorities
 - Health facilities authorities
 - Industrial development authorities
 - Municipal housing authorities
- The Legislature may create a dependent special district by special act at the request or with the consent of the county or municipality upon which the special district will be dependent.



How are independent special districts created?

- Independent special districts may be created for any special-purpose except for law enforcement.
- The Legislature may create independent special districts by special act. All other independent special district creations are pursuant to legislative authorization.
- The Governor and Cabinet may create:
 - Community Development Districts with a size of 2,500 acres or more
 - Regional Water Supply Authorities
- A county may create:
 - County Children's Services Districts
 - County Health and Mental Health Care Districts
 - County Hospital Districts
 - Community Development Districts



How are independent special districts created? (continued)

- Two or more counties may create:
 - Regional Jail Districts
 - Community Development Districts
- Any combination of two or more counties or municipalities may create:
 - Regional Water Supply Authorities
 - Community Development Districts
- Any combination of two or more counties, municipalities or other political subdivisions may create:
 - Regional Transportation Authorities
- A municipality may create:
 - Community Development Districts



How are independent special districts created? (continued)

- General laws or special acts that create or authorize the creation of an independent special district must address and require the following in their charters:
 - The special district's purpose.
 - The special district's powers, functions, and duties regarding ad valorem taxation, bond issuance, other revenue-raising capabilities, budget preparation and approval, liens and foreclosure of liens, use of tax deeds and tax certificates as appropriate for non-ad valorem assessments, and contractual agreements.
 - The methods for establishing the special district.
 - The method for amending the charter of the special district.
 - The membership and organization of the special district's governing body.
 - The maximum compensation of a governing body member.



How are independent special districts created? (continued)

- The administrative duties of the special district's governing body.
- The applicable financial disclosure, noticing, and reporting requirements.
- The procedures and requirements for issuing bonds (if applicable).
- The procedures for conducting elections or referenda and elector qualifications.
- The methods for financing the special district.
- The authorized millage rate (if the special district has the authority to levy ad valorem taxes, other than taxes levied for the payment of bonds and taxes levied for periods not longer than two years when authorized by vote of the electors of the district).
- The methods for collecting non-ad valorem assessments, fees, or service charges.
- Planning requirements.
- Geographic boundary limitations.

How many special districts are in Florida?

Dependent and Independent

Status	Totals as of April 2024
Dependent	608
Independent	1,387
Total	1,995

Single and Multicounty

Single / Multicounty	Totals as of April 2024
Single County	1,918
Multicounty	77
Total	1,995

For up-to-date and other totals, visit www.FloridaJobs.org/OfficialList.



What are examples of reported revenue authority?

- Non ad valorem assessments
- Ad valorem assessments
- Tax increment financing
- User fees
- Federal government
- State government
- County government
- Municipal government
- Grants
- Investments
- Bond issuer fees
- Tolls
- Donations
- Sales and leases
- Private enterprise
- Sales surtax



First Question:

1. True or False? Special districts are created only by the Florida Legislature, counties, and municipalities, and combinations of counties and municipalities.
 - a) True
 - b) False



First Question Answer:

1. True or False? Special districts are created only by the Florida Legislature, counties, and municipalities, and combinations of counties and municipalities.
 - a) ~~True~~
 - b) False. The Governor and Cabinet may create community development districts with a size of 2,500 acres or more and regional water supply authorities (Section 189.031(4)(c), Florida Statutes).**



What are the roles of special districts?

Specified by the Act:

- Independent special districts may be used by the private and public sectors as authorized to manage, own, operate, construct, and finance basic capital infrastructure, facilities, and services.
- Special districts operate to serve a public purpose and special purposes.
- Special districts provide services to residents and property.
- Special districts provide authority for multicounty and multijurisdictional special districts to develop and maintain capital infrastructure, facilities, and services when growth and development issues transcend the boundaries and responsibilities of individual units of government.



What are the roles of special districts (continued)?

Noted Charter Statement Examples:

- Special districts empower citizens to govern their own neighborhood or community.
- Special districts provide enhanced or specialized public services that a county or municipality may be unable or unwilling to offer.
- Special districts serve as a financing mechanism for the public and private sectors to govern, finance, construct, operate, and maintain essential public services and facilities.
- Special districts focus costs on only those who benefit from the services and facilities.
- Special districts save money for citizens by selling tax-exempt bonds, purchasing goods and services tax-free, and participating in state initiatives, such as state-term contracting.
- Special districts provide the ability to appoint or elect people who have the appropriate expertise, skills, and experience to govern the special district's specialized function.
- Special districts ensure accountability of public resources, since special districts are held to the same high standards as municipalities and counties in addition to other standards.



What are the state's special district policies?

The Act's intent includes declarations that:

- The public trust must be secured by requiring each special district to register and report its financial and other activities.
- Special districts operate to serve a public purpose, which is best secured by certain minimum standards of accountability designed to inform the public and the appropriate county or municipality of the status and activities of special districts.
- Special districts must cooperate and coordinate their activities with the county or municipality in which they are located.
- The reporting requirements set forth in the Act are the minimum level of cooperation necessary to provide services in an efficient and equitable fashion.
- Special districts must not outlive their usefulness.
- Failure of a special district to comply with minimum disclosure requirements may result in action against the special district.



How does the Act implement these policies?

Through the Special District Accountability Program (Program) within FloridaCommerce:

- Each special district must register with the Program within 30 days of its creation, and keep the Program updated with specific information.
- The Program is the “special district” component of Florida’s Local Government Financial Reporting System (System):
 - The Program collects, compiles, and maintains accurate and uniform financial and other information from special districts to provide to the members of the legislature and other appropriate officials, who rely on this information to accomplish certain goals, including improving the financial condition of local governments, providing essential government services efficiently, and improving decision-making on matters relating to local government.



What are the Program's duties?

- The Program uses information filed by special districts to continuously maintain the [Official List of Special Districts](#) so accurate, uniform, and up-to-date information about each special district is available to state and local agencies so they can monitor special districts and comply with their responsibilities under the System.
- Annually, the Program must collect a \$175 state fee from each special district. During invoicing, each special district is required to review the information the Program has on file about the district and update it if necessary.
- The Program provides technical advisory assistance to special districts regarding the requirements of the Act to help them comply with requirements. This includes publishing the [Florida Special District Handbook](#), which covers such requirements as budgets, public meetings, financial reporting, ethics, and official website postings.



What are the Program's duties? (continued)

- The Program declares special districts inactive when one or more conditions are met:
 - The Program receives formal notification that:
 - A special district has taken no action for two or more years;
 - A special district has not had a governing body or a sufficient number of governing body members to constitute a quorum for two or more years;
 - The registered agent of the district, the chair of the governing body of the special district, or the governing body of the appropriate local general-purpose government fails to respond to an inquiry by FloridaCommerce within 21 days;
 - The Program determines that a special district has failed to file certain reports;
 - The special district has not had a registered office and agent on file with the Program for one or more years;
 - The governing body of a special district provides documentation to the Program that it has unanimously adopted a resolution declaring the special district inactive; or
 - A CRA has reported no revenue, no expenditures, and no debt on its Annual Financial Report for six consecutive fiscal years beginning October 1, 2016.



What are the Program's duties? (continued)

- **New Condition:** House Bill 7013 (2024), if signed by the Governor, will require the Program to declare inactive certain independent special districts and CRAs that report no revenue, no expenditures, and no debt for at least five consecutive fiscal years beginning no earlier than October 1, 2018.
- The Program receives and publishes on its website [Special District Noncompliance Status Reports](#) from state and local agencies listing special districts that did not comply with certain requirements including the Annual Financial Report, the Financial Audit Report, bond financing disclosures and notices of sale, actuarial reports and statements of actuarial impact, county and municipality required filings.
- In some situations, the Program helps state and local agencies in collecting delinquent reports or information by sending a certified technical assistance / warning letter to the special district requiring compliance within 60 days (more later).
- When requested, the Program initiates enforcement (more later).



What are examples of special district accountability standards?

- Special districts must comply with many of the same laws of a general nature that apply to counties and municipalities. Examples include:
 - Election laws
 - Ethics laws
 - Open meetings
 - Public records
 - Financial Reporting
 - The Annual Financial Report filing requirement with the Florida Department of Financial Services, even if revenues, expenditures/expenses, and debt are all zero:
 - Independent special districts file a separate report.
 - Dependent special districts that are not component units file a separate report.
 - Dependent special districts that are component units provide financial information to the appropriate county or municipality in time to be included in its Annual Financial Report.



What are examples of special district accountability standards? (continued)

Annual Financial Report Reminders

- A special district amending its final adopted budget must include a budget variance report based on the budget adopted before the beginning of the fiscal year being reported showing the original budget, the final budget, the actual budget, and the variance with the final budget.
- An independent special district that imposes ad valorem taxes must include:
 - The millage rate or rates,
 - The total amount of ad valorem taxes collected, and
 - The total amount of outstanding bonds issued by the district and the terms of such bonds.
- An independent special district that imposes non-ad valorem special assessments must include:
 - The rate or rates of such assessments,
 - The total amount of special assessments collected, and
 - The total amount of outstanding bonds issued by the district and the terms of such bonds.



What are examples of special district accountability standards? (continued)

- Special districts must also comply with the Financial Audit Report requirement (excluding housing authorities) when meeting the special district financial threshold:
 - Independent special districts – file a separate financial audit report.
 - Dependent special districts – may be included in the financial audit of the appropriate county or municipality. Exception:
 - Community redevelopment agencies with revenues, or a total of expenditures and expenses, exceeding \$100,000 must provide for and file a separate financial audit.

***Financial Threshold:** When annual revenues or combined expenditures and expenses exceed \$100,000 or fall between \$50,000 and \$100,000, and the special district did not have a financial audit the previous two fiscal years.



What are examples of special district accountability standards? (continued)

Financial Audit Report Reminders:

- Separately include and specify the following information:
 - The total number of special district employees compensated in the last pay period of the special district's fiscal year being reported;
 - The total number of independent contractors to whom nonemployee compensation was paid in the last month of the special district's fiscal year being reported;
 - All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency;
 - All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency; and
 - Each construction project with a total cost of at least \$65,000 approved by the special district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project.



What are examples of special district accountability standards? (continued)

Financial Audit Report Requests for Local Governing Authorities (Primary Government):

- Ensure that any references to special districts match the official name of the special district as reported through the Official List of Special Districts;
- Ensure that a “community redevelopment area” is not confused with a “community redevelopment agency” (the agency is the special district); and
- Disclose any special districts that report zero revenues, zero expenses/expenditures, and zero debt.



What are examples of special district accountability standards? (continued)

- In addition to special districts being required to comply with many of the same laws of a general nature that apply to counties and municipalities, special districts must also comply with additional requirements in the Act. Examples include:
 - Adopting an annual budget by resolution at a regular public meeting.
 - Expending and contracting only pursuant to the adopted budget.
 - Maintaining an official website with specified postings, such as the regular public meeting schedule, the final budget, budget amendments, meeting agendas, and contact information for each governing body member.
 - Complying with a performance review process (certain independent fire control districts, hospitals, mosquito control districts, and soil and water conservation districts).

What are examples of special district accountability standards? (continued)

- **New Requirement:** House Bill 7013 (2024), if signed by the Governor, will require each special district:
 - Beginning October 1, 2024, or by the end of the first full fiscal year after its creation, whichever is later, to:
 - Establish goals and objectives for each program and activity undertaken by the special district; and
 - Establish performance measures and standards to determine if the special district's goals and objectives are being achieved.
 - By December 1, 2025, and by each December 1 thereafter, to publish an annual report on its official website describing the following:
 - The goals and objectives achieved.
 - The performance measures and standards used to make this determination.
 - The goals or objectives not achieved, if any.



What are examples of special district accountability standards? (continued)

- Special districts must cooperate and coordinate activities and file certain information and reports with the county or municipality in which it is located:
 - Budget or Tax Levy,
 - Public facilities report and annual notice of any changes (certain independent special districts),
 - Designation of registered office and agent,
 - Schedule of Regular Meetings, and
 - Financial information, if requested, at the time and place designated.

How does special district oversight work?

- Special districts are units of local government, not state or local programs overseen by another level of government.
- No single state agency or entity has the authority to completely oversee units of local government.
- Oversight of special districts is very similar in many situations to the oversight of counties and municipalities.
- A special district's governing body is responsible for governing the special district in accordance with its charter, enabling laws and all other applicable laws.
- Under certain circumstances, the Governor may suspend or remove a special district governing body member.



How does special district oversight work? (continued)

- Florida's open meeting and public record laws enable private citizens and the media to monitor special districts. Private citizens can initiate action, such as:
 - Requesting the appropriate oversight entity to convene a general oversight review (more later).
 - Contacting local law enforcement regarding concerns about criminal activity.
 - Contacting their local elected state attorney regarding a possible violation of open meetings and public records law.
 - Contacting the Florida Commission on Ethics regarding a possible violation of Florida's ethics laws.
 - Contacting their state Senators or Representatives to discuss their concerns.
- State and local governing authorities can act when special districts fail to comply with certain requirements.



What can happen when a dependent special district does not comply with local governing authority filing requirements?

- When a dependent special district fails to comply with a filing requirement to the county or municipality to which it is dependent (registered office and agent designation, schedule of regular meetings, financial information needed for the Annual Financial Report and Financial Audit):
 - The county or municipality shall take whatever steps it deems necessary to enforce the special district's accountability. Such steps may include, as authorized:
 - Withholding funds,
 - Removing governing body members at will,
 - Vetoing or not approving the special district's budget,
 - Amending, merging, or dissolving the special district, and
 - Depending on how the special district was created, an appropriate oversight entity may convene a general oversight review process of a special district to determine if changes need to occur (more later).

What can happen when an independent special district does not comply with local governing authority filing requirements?

- When an independent special district fails to comply with filing requirements to the county or municipality in which it is located (e.g., public facilities reports, registered office and agent information, schedule of regular meetings, financial information):
 - The person authorized to receive and read the reports or information, or the county or municipality, shall notify the special district's registered agent.
 - If requested by the special district, the county or municipality shall grant an extension of up to 30 days for filing the required reports or information.
 - If the governing body of the county or municipality determines that an unjustified failure to file these reports or information has occurred, it shall file a special district noncompliance status report with the Program, which may follow-up with a certified technical assistance letter.

What can happen when a special district does not comply with a state agency filing requirement?

- Any special district failing to comply with certain state agency filing requirements (e.g., Annual Financial Report, Financial Audit Report):
 - If created by special act, the Joint Legislative Auditing Committee (Committee) may convene a public hearing on the issue of the noncompliance, as well as general oversight of the special district at the direction of the President of the Senate and the Speaker of the House of Representatives (more later).
 - If created by local ordinance or enacted by a local resolution, the chair or equivalent of the county or municipality may convene a public hearing on the issue of the noncompliance, as well as general oversight of the special district (more later).
 - The appropriate state agency will file a noncompliance status report with the Program, and the Program will mail a certified technical assistance letter to the special district that:
 1. Describes the reporting requirement, deadlines, filing procedures, and how to get help.
 2. Requires compliance within 60 days.
 3. Explains the penalties for continued noncompliance.

What can happen when any special district does not comply with state agency filing requirements? (continued)

4. Requires the special district to provide a written response to the Program addressing the following if compliance cannot be achieved within 60 days:
 - The reason(s) the special district is unable to meet the deadline.
 - The steps the special district is taking to prevent future delinquent filings.
 - The estimated date the special district will comply.
- Most special districts comply within 60 days of the date of the letter. For those that do not, the Committee meets to determine whether to initiate enforcement.
- The Committee may consider any written response provided to the Program concerning why the special district couldn't meet the 60-day deadline and may delay action to allow the special district more time to file the report.
- The Committee may determine that enforcement is justified and will request the Program to declare the special district inactive or file a petition for enforcement in the Leon County circuit court.

Second Question:

2. A dependent special district has missed its deadline to file requested financial information with the local governing authority to which it is dependent. What happens next?
 - a) Nothing. Special districts are separate units of government, and the local governing authority is unable to do anything.
 - b) The local governing authority may take whatever steps it deems necessary to enforce the special district's accountability.
 - c) The local governing authority shall take whatever steps it deems necessary to enforce the special district's accountability.
 - d) The local governing authority shall file a noncompliance status report with the Joint Legislative Auditing Committee.

Second Question Answer:

2. A dependent special district has missed its deadline to file requested financial information with the local governing authority to which it is dependent. What happens next?
- ~~a) Nothing. Special districts are separate units of government, and the local governing authority is unable to do anything.~~
 - ~~b) The local governing authority may take whatever steps it deems necessary to enforce the special district's accountability.~~
 - c) The local governing authority shall take whatever steps it deems necessary to enforce the special district's accountability (Section 189.066(2), Florida Statutes).**
 - ~~d) The local governing authority shall file a noncompliance status report with the Joint Legislative Auditing Committee.~~

What can be done when problems with special districts occur?

- Depending on the issue, the following resources may be helpful for counties, municipalities, and citizens who have questions and concerns about a special district:
 - A webpage explaining special district accountability and oversight:
 - www.FloridaJobs.org/SpecialDistrictAccountabilityandOversight
 - A webpage listing potential helpful resources:
 - www.FloridaJobs.org/SpecialDistrictCommonIssues
 - [Section 189.068, Florida Statutes](#), which authorizes an appropriate oversight entity to pursue a general oversight review of most special districts to help make decisions, such as whether a special district should continue to exist, future roles and focus, and how improvements can be achieved. The review process occurs as follows, depending on how the special district was created:
 - **When created by special act:** By the Legislature, at the direction of the President of the Senate and the Speaker of the House of Representatives.



What can be done when problems with special districts occur? (continued)

- **When created by local ordinance or resolution:** By the chair or equivalent of the county or municipality that enacted the ordinance or resolution.
- **When dependent and not created by a special act:** By the county or municipality upon which it is dependent.
- **When created by Rule of the Governor and Cabinet:** As directed by the Governor and Cabinet.
- **All other creations (e.g., general law):** As directed by the President of the Senate and the Speaker of the House of Representatives.
- Those conducting the oversight review must consider minimum criteria, as applicable, including:
 - To what degree do the services contribute to the well-being of the community.
 - The extent of the need for continuing the services.
 - The extent of municipal annexation or incorporation activity occurring or likely to occur within the boundaries of the special district and its impact on service delivery.

What can be done when problems with special districts occur? (continued)

- Whether a less costly alternative method of delivering the services exists.
- Whether transfer of the services to another entity can be accomplished without jeopardizing existing contracts, bonds, or outstanding indebtedness.
- Whether the Auditor General notified the Committee that the special district's audit report indicates that the district has met a financial emergency condition or that a deteriorating financial condition may cause a financial emergency condition to occur.
- Whether the special district is listed as inactive on the Official List of Special Districts.
- Whether the special district is properly meeting and discharging its responsibilities.
- Whether activities are projected to increase or decrease.
- Whether the special district has failed to comply with required reporting requirements.
- Whether the special district has designated a registered office and agent.
- Whether the special district has complied with public records and meeting requirements.

Third Question:

3. True or False? An independent special district must cooperate and coordinate activities and file certain information and reports with the county or municipality in which it is located.
- a) True
 - b) False



Third Question Answer:

3. True or False? An independent special district must cooperate and coordinate activities and file certain information and reports with the county or municipality in which it is located.
- a) **True. Such information includes registered office and registered agent information, schedule of regular meetings, public facilities reports, and any requested financial information (Sections 189.014, 189.015, and 189.016(9), Florida Statutes).**
 - b) ~~False~~



Where can I get additional information?

- **Special District Accountability Program:**
 - www.FloridaJobs.org/SpecialDistricts
 - Jack Gaskins
 - 850.717.8430
 - SpecialDistricts@Commerce.fl.gov
- **Official List of Special Districts:**
 - www.FloridaJobs.org/OfficialList
- **Florida Special District Handbook:**
 - www.FloridaJobs.org/SpecialDistrictHandbook
- **Specialty Area Resources and Contacts:**
 - www.FloridaJobs.org/SpecialDistrictHelp
- **Special District Noncompliance Status Reports:**
 - www.FloridaJobs.org/Noncompliance

