

# STATE OF FLORIDA

## OFFICE OF THE GOVERNOR

### Executive Order Number 12-10

(Review of Special Districts)

**WHEREAS**, the Governor is committed to ensuring that all units of government are run in an efficient, transparent, and fiscally accountable manner in order to make certain that taxpayer dollars are being expended cost-effectively; and

**WHEREAS**, special districts are local units of special purpose government, within limited geographical areas, which are utilized to manage, own, operate, construct, maintain, and finance basic capital infrastructure, facilities, and services; and

**WHEREAS**, according to the Official List of Special Districts maintained by the Florida Department of Economic Opportunity, there are a total of 1,634 special districts, of which 16 are inactive; and

**WHEREAS**, of the total number of special districts in Florida, 1,006 are independent special districts and 628 are dependent special districts; and

**WHEREAS**, special districts have a substantial impact on the lives of every Florida citizen as every parcel of land in Florida is covered by at least one special district; and

**WHEREAS**, active special districts reported \$15.5 billion in revenues during the 2009 fiscal year and therefore such districts have a significant impact on the Florida economy; and

**WHEREAS**, special districts have the statutory authority to raise revenue through vehicles such as the issuance of bonds and the levy and collection of ad valorem and non-ad valorem taxes, fees, and assessments; and

**WHEREAS**, special districts are statutorily subject to limited state oversight through requirements to submit information such as annual budgets, annual financial reports, and special facilities reports to various state agencies; and

**WHEREAS**, the Governor has been made aware that some special districts have been delinquent in submitting the required information to state agencies, and thus are circumventing state oversight of their activities and preventing the transparency of their operations to the public; and

**WHEREAS**, due to the immense impact that special districts have on Florida citizens and on the Florida economy, the Governor believes that special districts should operate in a transparent manner and be fiscally accountable in order to safeguard the public interest; and

**WHEREAS**, as a result of the foregoing, the Governor has determined that it is appropriate and necessary to conduct a deliberate and thorough review of all special districts in the State of Florida in order to determine whether such districts are: serving a legitimate public purpose; governed efficiently; levying taxes, fees, and assessments appropriately; being held accountable to the taxpayers whose lives they directly impact; operating in a transparent manner; and prudently spending taxpayer dollars.

**NOW, THEREFORE, I, RICK SCOTT**, Governor of the State of Florida, by the powers vested in me by the Constitution and the laws of the State of Florida, do hereby issue the following Executive Order, effective immediately:

Section 1. I hereby direct the Office of Policy and Budget in the Executive Office of the Governor to conduct a deliberate and thorough examination of special districts in the State of Florida, and to make recommendations on the role of special districts in the State, with a special focus on increasing efficiency, fiscal accountability, and the transparency of operations to the public. The Office of Policy and Budget will:

- A. Examine the method of creation and the legislative intent behind the creation of each special district, including an evaluation of whether the special district continues to function for the purpose for which it was created.
- B. Examine the governance structure of each special district, including the method of appointment and tenure of the governing members.
- C. Examine the functions and activities of each special district to determine if a special district is the most efficient and appropriate method of governance.
- D. Examine the annual budgets of each special district in order to determine the appropriateness of the budgeted expenditures.
- E. Examine the special districts' levy of ad valorem and non-ad valorem taxes, fees, and assessments to determine if they are at an appropriate level.
- F. Examine the special districts' policies regarding organizational structure, personnel, salaries and benefits, operating capital outlay, and related expenses in order to recommend more efficient and uniform policies among all special districts.
- G. Examine the required disclosures for properties within the jurisdiction of a special district to taxpayers who purchase property within such special district.
- H. Examine whether there is a periodic procedure for evaluating the continued need, ongoing accountability, and efficacy of each special district.
- I. Examine the level of oversight of special districts, including whether special districts are complying with their reporting requirements, and determining whether the present level of oversight is sufficient.

Section 2. The Office of Policy and Budget shall submit to the Governor detailed reports setting forth its findings and recommendations, including any recommendations for legislative action. Each report shall detail which districts have been reviewed and the total number of remaining districts to be reviewed. At the completion of the Office of Policy and Budget's review of all special districts, the Office shall submit a final, comprehensive report detailing its findings and its recommendations as to how to improve special districts' efficiency, fiscal accountability, and transparency of operations.

IN TESTIMONY WHEREOF, I have hereunto set my hand and have caused the Great Seal of the State of Florida to be affixed at Tallahassee, this 11<sup>th</sup> day of January, 2012.

A handwritten signature in blue ink, appearing to be "Rick Warren", is written over a horizontal line.

GOVERNOR

ATTEST:

A handwritten signature in blue ink, appearing to be "Jeff Atkinson", is written over a horizontal line.

SECRETARY OF STATE

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TALLAHASSEE, FLORIDA