

1 A bill to be entitled
 2 An act relating to local government capital recovery;
 3 creating s. 166.30; providing definitions; requiring
 4 that municipalities that meet certain thresholds for
 5 delinquent specified revenue sources must issue an
 6 invitation to bid seeking collection agencies;
 7 providing requirements for the content of the
 8 invitation to bid; providing that certain delinquent
 9 revenues shall be excluded from the threshold
 10 calculations in some circumstances; providing that
 11 municipalities issuing such invitations to bid are not
 12 required to enter into any contractual arrangement;
 13 providing that copies of all bids received shall be
 14 filed with the Department of Financial Services;
 15 amending s. 218.39; requiring a discussion of capital
 16 recovery efforts in the management letter accompanying
 17 the municipality's annual financial audit report;
 18 providing an effective date.

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

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 22 Section 1. Section 166.3, Florida Statutes, is created to
 23 read:

24 166.30 Municipal Capital Recovery.—

25 (1) As used in this section, the term:

26 (a) "Abatement fine" means an amount billed to an owner of

27 real property by a municipality after the municipality brings
 28 such real property or a portion thereof into compliance with
 29 municipal ordinance or code by removal, repair, rehabilitation,
 30 demolition, improvement, remediation, storage, transportation,
 31 or disposal of any improvement to the real property or any
 32 tangible personal property located thereon, regardless of
 33 whether a lien was attached to the property related to such
 34 fine.

35 (b) "Administrative fine" means an amount billed to an
 36 individual for the violation of a municipal ordinance or code
 37 unrelated to real property.

38 (c) "Delinquent" means unpaid after the due date listed on
 39 the original billing of an abatement fine, administrative fine,
 40 property fine, or utility charge, regardless of whether the
 41 municipality has contracted with a collection agency pursuant to
 42 s. 938.35 for the collection of the unpaid fines or charges.

43 (d) "Property fine" means an amount other than an abatement
 44 fine which is billed to a property owner due to the property
 45 being out of compliance with city ordinance or code, regardless
 46 of whether a lien was attached to the property related to such
 47 fine.

48 (e) "Utility charge" means an amount billed to a customer
 49 by a municipally owned utility for providing utility service.

50 (f) "Designated revenues" means abatement fines,
 51 administrative fines, property fines, and utility charges.

52 (2) After October 1, 2015 any municipality which meets at

53 least one of the criteria in paragraphs (a)-(c) shall issue an
54 invitation to bid pursuant to s. 287.057 within 30 days of first
55 meeting at least one such criterion.

56 (a) The sum of the municipality's designated revenues which
57 are more than 90 days delinquent is at least \$10,000,000;

58 (b) The sum of the municipality's designated revenues which
59 are more than 180 days delinquent is at least \$5,000,000; or

60 (c) The sum of the municipality's designated revenues which
61 are more than 270 days delinquent is at least \$1,000,000.

62 (3) If a municipality's delinquent designated revenues are
63 less than 20 percent of the total designated revenues billed by
64 the municipality in the previous 12 months, the requirements of
65 subsections (2) and (5) shall not apply.

66 (4) An invitation to bid issued pursuant to subsection (2)
67 or (5) must seek bids from collection agencies registered
68 pursuant to s. 559.553. The invitation to bid must specify that
69 the municipality is seeking a one-time, up-front payment of cash
70 to the municipality in exchange for the right to collect all of
71 the municipality's delinquent designated revenues as of the date
72 the invitation to bid is issued. The invitation to bid may not
73 seek bids to collect designated revenues on a contingency fee
74 basis.

75 (5) If a municipality meets at least one of the criteria in
76 paragraphs (a)-(c) of subsection (2) one year after it issues an
77 invitation to bid pursuant to subsection (2) or this subsection,
78 it shall be required to issue an additional invitation to bid

79 meeting the requirements of subsection (4).

80 (6) A municipality which issues an invitation to bid
 81 pursuant to this section is not required to enter into a
 82 contract for services with any collection company which responds
 83 to the invitation to bid.

84 (7) If a municipality enters into a contract for services
 85 with a collection agency after issuing an invitation to bid
 86 pursuant to this section, any delinquent designated revenues
 87 that the collection agency agrees to collect shall be excluded
 88 thereafter when the municipality calculates whether it meets any
 89 of the criteria in paragraphs (a)-(c) of subsection (2).

90 (8) After all bids have been received in response to a
 91 municipality's invitation to bid issued pursuant to this
 92 section, the municipality shall forward a copy of all bids
 93 received to the Department of Financial Services. The Department
 94 of Financial Services shall keep all such bids on file for a
 95 period of 5 years or more.

96 Section 2. Subsection (4) of section 218.39, Florida
 97 Statutes, is amended to read:

98 218.39 Annual financial audit reports.—

99 (4) A management letter shall be prepared and included as
 100 a part of each financial audit report. For municipal financial
 101 audit reports, the letter must include a discussion of the
 102 current balance of the municipality's delinquent designated
 103 revenues as defined in s. 166.30, and the efforts the
 104 municipality has undertaken to collect such revenues.

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Section 3. This act shall take effect July 1, 2015.