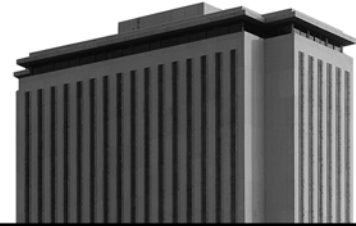




LEGISLATIVE ISSUE BRIEFS



Municipal Indebtedness

The Florida League of Cities will support legislation that broadens municipal home rule and other authority, to the fullest extent of the Florida Constitution, to issue tax-increment financed bonds and other forms of indebtedness without approval by referendum.

Background:

On September 6, 2007, the Florida Supreme Court released its initial decision in Strand v. Escambia County, whereby the Court ruled bonds financed by tax-increment financing, including bonds issued by community redevelopment agencies, and other forms of indebtedness required approval by referendum under the Florida Constitution. The Court has subsequently revised its initial decision, re-heard oral arguments on the case, and may further clarify or otherwise change its decision at any time. However, this decision has negated over 30 years of law set by the Florida Supreme Court, which permitted redevelopment bonding to occur without a referendum.

The Strand decision has significantly impaired the ability of community redevelopment agencies to issue bonds to implement redevelopment plans. Community redevelopment activity is occurring in hundreds of Florida's cities and successful redevelopment is dependant on firm and sound financing.

Status: Depending on the actions of the Florida Supreme Court, the Legislature may need to either set when and how referenda are to occur to bond redevelopment financing or specify redevelopment funding sources to avoid a referenda requirement.

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