

LEGISLATIVE ACTION

Senate House

Comm: RCS 03/17/2009

The Committee on Community Affairs (Bennett) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause and insert:

Section 1. Section 193.704, Florida Statutes, is created to read:

193.704 Working waterfront property; definitions.—As used in ss. 193.704-193.7042, the term:

(1) "Accessible to the public" means routinely available to the public, with or without charge, from sunrise to sunset and having appropriate public accommodations, such as public parking

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or public boat ramps.

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- (2) "Commercial fishing operation" has the same meaning as in s. 379.2351.
- (3) "Drystack" means a vessel-storage facility or building in which the storage spaces for vessels are available for use by the public on a first-come, first-served lease basis without automatic renewal rights or conditions. The term does not include drystacks in which boat storage is limited to persons who purchase, receive, or rent a storage space as a condition of homeownership or tenancy.
- (4) "Land used predominantly for commercial fishing purposes" means land used in good faith in a for-profit commercial fishing operation for the taking or harvesting of freshwater fish or saltwater products, as defined in s. 379.101, for which a commercial license to take, harvest, or sell such freshwater fish or saltwater products as required under chapter 379.
- (5) "Marina" means a commercial facility licensed to do business in Florida which provides secured public moorings or drystacks for boats on a first-come, first-served leased basis and without automatic renewal rights or conditions. The term does not include marinas that limit mooring or storage of vessels to persons who purchase, receive, or rent a mooring slip or storage space as a condition of homeownership or tenancy.
- (6) "Marine manufacturing facility" means a facility that manufactures vessels for use in waters that are navigable.
- (7) "Marine vessel construction and repair facilities" means facilities such as shipyards or dockyards that construct and repair vessels that travel over waters that are navigable.

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As used in this section, the term "repair" includes retrofitting and maintenance.

- (8) "Open to the public" means for hire to the public and accessible during normal operating hours.
- (9) "Support activities" means those facilities that are typically colocated with marine vessel construction and repair facilities, such as shop, equipment, or salvage facilities.
- (10) "Water-dependent" means that the operations of a facility require direct access to the water.
- (11) "Waterfront" means property that is on, over, or abutting waters that are navigable.
- (12) "Waters that are navigable" means the waters of the state which are capable of supporting boating and are used or may be used in their ordinary condition as highways for commerce for which trade or travel are or may be conducted in the customary modes of trade or travel on water.
- Section 2. Section 193.7041, Florida Statutes, is created to read:
- 193.7041 Working waterfront property; classification and assessment; loss of classification; penalty.-
- (1) Pursuant to s. 4(j), Art. VII of the State Constitution, effective January 1, 2010, the following waterfront property is eligible for classification as working waterfront property:
- (a) Land used predominantly for commercial fishing purposes.
- (b) Land that is accessible to the public and used for vessel launches into waters that are navigable.
 - (c) Marinas and drystacks that are open to the public.

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- (d) Water-dependent marine manufacturing facilities.
- (e) Water-dependent commercial fishing facilities.
- (f) Water-dependent marine vessel construction and repair facilities and their support activities.
- (2) Property classified as working waterfront property pursuant to this section must be assessed on the basis of current use. Assessed value must be calculated using the income approach to value as described in The Appraisal of Real Estate, Thirteenth Edition, as subsequently revised and published by the Appraisal Institute, and in effect on January 1 of the assessment year. The capitalization rate used to determine assessed value must be based upon a debt coverage ratio formula in which the overall capitalization rate equals the debt coverage ratio multiplied by the mortgage capitalization rate multiplied by the loan-to-value ratio for comparable properties. The overall capitalization rate must be calculated and updated annually. In assessing working waterfront property, a property appraiser shall use data from lenders for industrywide loan interest rates, loan-to-value ratios, amortization terms, payment periods, debt coverage ratio requirements, market rental rates, market expense rates, and market vacancy rates. The data must be county-specific unless insufficient data is available, in which case the property appraiser shall use data for surrounding counties.
- (3) (a) Property may not be classified as working waterfront property unless an application for the classification is filed with the property appraiser on or before March 1 of each year in the county in which the property is located. Before classifying the property as working waterfront property, the property

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appraiser may require the property owner to establish that the property is used as required under this section. The owner of property classified as working waterfront property in the prior year may reapply on a short form adopted by rule by the Department of Revenue.

- (b) Failure of a property owner to apply for the classification as working waterfront property by March 1 constitutes a waiver of the classification for 1 year. However, the property appraiser may approve a late application and grant a working waterfront classification if the property owner establishes that extenuating circumstances prevented the property owner from filing an application by the deadline.
- (c) A county may, at the request of the property appraiser and by a majority vote of its governing body, waive the requirement that an annual application or short form be filed with the property appraiser for renewal of the classification of property as working waterfront property. The waiver may be revoked by a majority vote of the governing body of the county.
- (d) Notwithstanding paragraph (c), a new application for classification as working waterfront property must be filed with the property appraiser after the property receiving the classification is sold or otherwise disposed of or the ownership changes in any manner.
- (e) The property appraiser shall remove from the classification as working waterfront property any property for which the classified use has been abandoned or discontinued. The removed property shall be assessed at just value pursuant to s. 193.011.
 - (f) 1. The owner of classified working waterfront property,

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who is not required to file an annual application under this section, must notify the property appraiser promptly if the use of the property or the ownership changes in a manner that changes the classified status of the property. If a property owner fails to notify the property appraiser and the property appraiser determines that, for any year within the prior 10 years, the property was not qualified to receive the classification, the owner of the property is subject to taxes otherwise due and owing as a result of the failure plus 15 percent interest per annum and a penalty of 50 percent of the additional taxes owed.

- 2. A property appraiser who determines that a property owner failed to provide the required notice of change in use or ownership must record a tax lien against real property owned by the person or entity. The property is subject to the payment of all taxes and penalties. If the person or entity no longer owns property in the county in which the unlawfully or improperly classified working waterfront property is located, the property appraiser shall record a tax lien against other properties owned by the person or entity in other counties of the state. Any tax lien recorded pursuant to this paragraph must identify the property that was unlawfully or improperly classified as working waterfront property and the property to which the lien applies.
- (g) For property in which a portion receives a working waterfront classification, the portion not eligible for classification as a working waterfront property must be assessed pursuant to s. 193.011.
- (h) The property appraiser must make a list of all applications for classification as working waterfront property.

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The list must include the acreage, the just value of the property determined pursuant to s. 193.011, the value of the property if classification as working waterfront property is granted or the reason if classification is denied, the name of the property owner, the name of any business operating on the property, and the address of the property.

Section 3. Section 193.7042, Florida Statutes, is created to read:

193.7042 Working waterfront property; denial of classification; appeal process.-

- (1) The property appraiser must provide written notice to a property owner applying for a working waterfront classification of the denial of an application to classify property as working waterfront property on or before July 1 of the year for which the application was filed. The notice must advise the property owner of his or her right to appeal the denial to the value adjustment board and of the deadline for filing an appeal.
- (2) Any property owner whose application for classification as working waterfront property is denied may appeal the denial to the value adjustment board by filing a petition requesting that the application for classification be approved. The petition may be filed at any time during the taxable year on or before the 25th day after the property appraiser mails the assessment notice pursuant to s. 194.011(1). Notwithstanding s. 194.013, the petitioner must pay a nonrefundable fee of \$15 upon filing the petition. The value adjustment board shall grant the petition if the petitioner establishes that the property is qualified to be classified as working waterfront property.
 - (3) A denial of a petition for classification by the value

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adjustment board may be appealed to the circuit court.

(4) (a) Property that receives a working waterfront classification from the value adjustment board or the circuit court under this section retains that classification in any subsequent year until the use of the property as working waterfront property is abandoned or discontinued or the ownership changes in any manner. The property appraiser shall, no later than January 31 of each year, notify a property owner receiving a classification under this subsection to certify that the ownership and the use of the property has not changed. The department shall prescribe by rule adopted pursuant to ss. 120.536(1) and 120.54 the form of the notice to be used by the property appraiser.

(b) If a county has waived the requirement that an annual application or short form be filed for classification of the property under s. 193.7041, the county may, by majority vote of its governing body, waive the notice and certification requirements of this subsection and shall provide the property owner with the same notification as provided to property owners granted a working waterfront classification by the property appraiser. The waiver may be revoked by a majority vote of the county governing body.

Section 4. Paragraph (j) of subsection (3) of section 259.105, Florida Statutes, is amended to read:

259.105 The Florida Forever Act.-

(3) Less the costs of issuing and the costs of funding reserve accounts and other costs associated with bonds, the proceeds of cash payments or bonds issued pursuant to this section shall be deposited into the Florida Forever Trust Fund

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created by s. 259.1051. The proceeds shall be distributed by the Department of Environmental Protection in the following manner:

(j) Two and five-tenths percent to the Department of Community Affairs for the acquisition of land and capital project expenditures necessary to implement the Stan Mayfield Commercial Waterfront Restoration and Preservation Working Waterfronts Program within the Florida Communities Trust pursuant to s. 380.5105.

Section 5. Paragraph (a) of subsection (3) of section 380.502, Florida Statutes, is amended to read:

380.502 Legislative findings and intent.-

- (3) It is the intent of the Legislature to establish a nonregulatory agency that will assist local governments in bringing local comprehensive plans into compliance and implementing the goals, objectives, and policies of the conservation, recreation and open space, and coastal elements of local comprehensive plans, or in conserving natural resources and resolving land use conflicts by:
- (a) Responding promptly and creatively to opportunities to correct undesirable development patterns, restore degraded natural areas, enhance resource values, restore deteriorated or deteriorating urban waterfronts, restore and preserve commercial waterfront property working waterfronts, reserve lands for later purchase, participate in and promote the use of innovative land acquisition methods, and provide public access to surface waters.

Section 6. Subsection (18) of section 380.503, Florida Statutes, is amended to read:

380.503 Definitions.—As used in ss. 380.501-380.515, unless

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the context indicates a different meaning or intent:

(18) "Working waterfront" means:

(a) A parcel or parcels of land directly used for the purposes of the commercial harvest of marine organisms or saltwater products by state-licensed commercial fishermen, aquaculturists, or business entities, including piers, wharves, docks, or other facilities operated to provide waterfront access to licensed commercial fishermen, aquaculturists, or business entities; or

(b) A parcel or parcels of land used for exhibitions, demonstrations, educational venues, civic events, and other purposes that promote and educate the public about economic, cultural, and historic heritage of Florida's traditional working waterfronts, including the marketing of the seafood and aquaculture industries.

Section 7. Subsections (2), (6), (7), and (11) of section 380.507, Florida Statutes, are amended to read:

380.507 Powers of the trust.—The trust shall have all the powers necessary or convenient to carry out the purposes and provisions of this part, including:

- (2) To undertake, coordinate, or fund activities and projects which will help bring local comprehensive plans into compliance and help implement the goals, objectives, and policies of the conservation, recreation and open space, and coastal elements of local comprehensive plans, or which will otherwise serve to conserve natural resources and resolve land use conflicts, including, but not limited to:
 - (a) Redevelopment projects.
 - (b) Resource enhancement projects.



273 (c) Public access projects.

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- (d) Urban waterfront restoration projects.
- (e) Site reservation.
- (f) Urban greenways and open space projects.
- (g) Commercial waterfront restoration and preservation projects under s. 380.5105 Working waterfronts.
- (6) Except as provided in s. 380.5105, to award grants and make loans to local governments and nonprofit organizations for the purposes listed in subsection (2) and for acquiring fee title and less than fee title, such as conservation easements or other interests in land, for the purposes of this part.
- (7) Except as provided in s. 380.5105, to provide by grant or loan up to the total cost of any project approved according to this part, including the local share of federally supported projects. The trust may require local funding participation in projects. The trust shall determine the funding it will provide by considering the total amount of funding available for the project, the fiscal resources of other project participants, the urgency of the project relative to other eligible projects, and other factors which the trust shall have prescribed by rule. The trust may fund up to 100 percent of any local government land acquisition costs, if part of an approved project.
- (11) Except as provided in s. 380.5105, to make rules necessary to carry out the purposes of this part and to exercise any power granted in this part, pursuant to the provisions of chapter 120. The trust shall adopt rules governing the acquisition of lands using proceeds from the Preservation 2000 Trust Fund and the Florida Forever Trust Fund, consistent with the intent expressed in the Florida Forever Act. Such rules for

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land acquisition must include, but are not limited to, procedures for appraisals and confidentiality consistent with ss. 125.355(1) (a) and (b) and 166.045(1) (a) and (b), a method of determining a maximum purchase price, and procedures to assure that the land is acquired in a voluntarily negotiated transaction, surveyed, conveyed with marketable title, and examined for hazardous materials contamination. Land acquisition procedures of a local land authority created pursuant to s. 380.0663 or s. 380.0677 may be used for the land acquisition programs described by ss. 259.101(3)(c) and 259.105 if within areas of critical state concern designated pursuant to s. 380.05, subject to approval of the trust.

Section 8. Paragraphs (e) and (f) of subsection (4) of section 380.508, Florida Statutes, are amended to read:

380.508 Projects; development, review, and approval.-

- (4) Projects or activities which the trust undertakes, coordinates, or funds in any manner shall comply with the following guidelines:
- (e) The purpose of working waterfront projects shall be to restore and preserve working waterfronts as provided in s. 380.5105.
- (e) (f) The trust shall cooperate with local governments, state agencies, federal agencies, and nonprofit organizations in ensuring the reservation of lands for parks, recreation, fish and wildlife habitat, historical preservation, or scientific study. In the event that any local government, state agency, federal agency, or nonprofit organization is unable, due to limited financial resources or other circumstances of a temporary nature, to acquire a site for the purposes described



in this paragraph, the trust may acquire and hold the site for subsequent conveyance to the appropriate governmental agency or nonprofit organization. The trust may provide such technical assistance as is required to aid local governments, state and federal agencies, and nonprofit organizations in completing acquisition and related functions. The trust shall not reserve lands acquired in accordance with this paragraph for more than 5 years from the time of acquisition. A local government, federal or state agency, or nonprofit organization may acquire the land at any time during this period for public purposes. The purchase price shall be based upon the trust's cost of acquisition, plus administrative and management costs in reserving the land. The payment of this purchase price shall be by money, trust-approved property of an equivalent value, or a combination of money and trust-approved property. If, after the 5-year period, the trust has not sold to a governmental agency or nonprofit organization land acquired for site reservation, the trust shall dispose of such land at fair market value or shall trade it for other land of comparable value which will serve to accomplish the purposes of this part. Any proceeds from the sale of such land shall be deposited in the Florida Communities Trust Fund.

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Project costs may include costs of providing parks, open space, public access sites, scenic easements, and other areas and facilities serving the public where such features are part of a project plan approved according to this part. In undertaking or coordinating projects or activities authorized by this part, the trust shall, when appropriate, use and promote the use of creative land acquisition methods, including the acquisition of

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less than fee interest through, among other methods, conservation easements, transfer of development rights, leases, and leaseback arrangements. The trust also shall assist local governments in the use of sound alternative methods of financing for funding projects and activities authorized by this part. Any funds over and above eligible project costs, which remain after completion of a project approved according to this part, shall be transmitted to the state and deposited in the Florida Communities Trust Fund.

Section 9. Section 380.5105, Florida Statutes, is amended to read:

380.5105 The Stan Mayfield Commercial Waterfront Restoration and Preservation Program Working Waterfronts; Florida Forever program. -

(1) As used in this section, the term "commercial waterfront" means real or improved property that provides direct access for water-dependent commercial activities. The term does not include seaports or any property classified as working waterfront property under s. 193.7041. Water-dependent commercial activities include, but are not limited to, public lodging or eating establishments; aquaculturists; and docks, wharves, piers, wet or dry marinas, boat ramps, boat hauling facilities, and boat repair facilities that are not eligible for classification as working waterfront property under s. 193.7041 and s. 4(j), Art. VII of the State Constitution.

(2) (1) Notwithstanding any other provision of this chapter, it is the intent of the Legislature that the Florida Communities Trust shall administer the commercial waterfront restoration and preservation working waterfronts program as set forth in this

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section. Effective July 1, 2009, participation in this program is limited to counties and municipalities that acquire, in fee simple or less-than-fee simple, commercial waterfront property for restoration or preservation purposes and limit the use of the property in perpetuity to the water-dependent commercial activities authorized under this section.

- (3) (2) The Florida Communities Trust and the Department of Agriculture and Consumer Services shall jointly develop and adopt rules specifically establishing the procedures to be followed for acquisitions under this section which use Florida Forever funds provided to the trust under s. 259.105 and rules to develop an application process and a process to evaluate, score, and rank commercial waterfront restoration and preservation for the evaluation, scoring and ranking of working waterfront acquisition projects. The proposed rules jointly developed pursuant to this subsection shall be promulgated by the trust. Such rules shall establish a system of weighted criteria to give increased priority to projects:
- (a) Within a municipality with a population less than 30,000;
- (b) Within a municipality or area under intense growth and development pressures, as evidenced by a number of factors, including a determination that the municipality's growth rate exceeds the average growth rate for the state;
- (c) Within the boundary of a community redevelopment agency established pursuant to s. 163.356;
- (d) Adjacent to state-owned submerged lands designated as an aquatic preserve identified in s. 258.39; or
 - (e) That provide a demonstrable benefit to the local



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(4) For projects that will require more than the grant amount awarded for completion, the county or municipality applicant must identify in the their project application funding sources that will provide the difference between the grant award and the estimated project completion cost. Such rules may be incorporated into those developed pursuant to s. 380.507(11).

(5) (4) The trust shall develop a ranking list based on criteria identified in subsection (2) for proposed fee simple and less-than-fee simple acquisition projects proposed for acquisition under developed pursuant to this section. The trust shall, by the first meeting of the Board of Trustees of the Internal Improvement Trust Fund meeting in February of each year, present the ranking list pursuant to this section to the board of trustees for final approval of projects for funding. The board of trustees may remove projects from the ranking list but may not add projects.

(6) (5) Grant awards, acquisition approvals, and terms of fee simple and less-than-fee acquisitions shall be approved by the trust. Counties and municipalities Waterfront communities that receive grant awards must submit annual progress reports to the trust identifying completed project activities which are complete, and the progress achieved in meeting the goals outlined in the project application. The trust must implement a process to monitor and evaluate the performance of grant recipients in completing projects that are funded through the commercial waterfront restoration and preservation working waterfronts program.

Section 10. This act shall take effect July 1, 2009.



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===== T I T L E A M E N D M E N T ====

And the title is amended as follows: 449

> Delete everything before the enacting clause and insert:

> > A bill to be entitled

An act relating to working waterfront property; creating s. 193.704, F.S.; providing definitions; creating s. 193.7041, F.S.; identifying property that is eligible for classification as working waterfront property; requiring the assessment of working waterfront property based on current use; requiring an application for classification of property as working waterfront property; authorizing a property appraiser to approve an application that is not filed by a certain deadline due to extenuating circumstances; providing for the waiver of annual application requirements; providing for the loss of classification upon a change of ownership or use; requiring that property owners notify the property appraiser of changes in use or ownership of property; imposing a penalty on a property owner who fails to notify the property appraiser of an event resulting in the unlawful or improper classification of property as working waterfront property; requiring the imposition of tax liens to recover penalties and interest; providing for the assessment of a portion of property within a working waterfront property which is not used as working waterfront property; requiring that a

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property appraiser make a list relating to applications to certify property as working waterfront property; creating s. 193.7042, F.S.; requiring that property appraisers notify property owners of the denial of an application to classify property as working waterfront property; providing for the appeal of such denial to the value adjustment board; requiring a filing fee of a certain amount; providing for the appeal of a denial of a petition to the value adjustment board to the circuit court; requiring that property appraisers notify property owners whose property was classified as working waterfront property by a value adjustment board or court to recertify that the use and ownership of the property have not changed; authorizing the waiver of certain notice and certification requirements; amending s. 259.105, F.S.; renaming the "Stan Mayfield Working Waterfronts Program" within the Florida Communities Trust as the "Stan Mayfield Commercial Waterfronts Restoration and Preservation Program"; amending s. 380.502, F.S.; conforming provisions to changes made by the act; amending s. 380.503, F.S.; deleting a definition for the term "working waterfronts" for purposes of the Florida Communities Trust Act; amending s. 380.507, F.S.; providing a cross-reference; clarifying provisions relating to the authority of the Florida Communities Trust to provide grants or loans for certain projects; clarifying the trust's rulemaking authority; deleting obsolete provisions; amending s.

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380.508, F.S.; deleting provisions relating to the purpose of working waterfront projects; amending s. 380.5105, F.S.; conforming provisions to changes made by the act; providing a definition for the term "commercial waterfront"; providing that certain property does not qualify as commercial waterfront property; providing for water-dependent commercial activities; limiting participation in the program to counties and municipalities effective on a specified date; limiting the uses of acquired property in perpetuity; requiring that the Florida Communities Trust adopt rules establishing procedures and an application process; providing an effective date.