

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Governmental Oversight and Accountability

BILL: SB 806

INTRODUCER: Senator Baxley

SUBJECT: Water Management District Surplus Lands

DATE: January 22, 2018

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Istler</u>	<u>Rogers</u>	<u>EP</u>	Favorable
2.	<u>Caldwell</u>	<u>Caldwell</u>	<u>GO</u>	Pre-meeting
3.	_____	_____	<u>RC</u>	_____

I. Summary:

SB 806 makes the following changes to the procedures a water management district (WMD) must follow when selling surplus lands:

- Provides that the first publication of the required notice of intention to sell must occur at least 30 days, but not more than 360 days, before any sale is approved by a WMD. Current law only requires that the first publication of the required notice of intent to sell take place before any sale and the change is meant to provide clarity.
- Authorizes, rather than requires, the governing board of a WMD to sell surplus parcels of land valued at \$25,000 or less to adjacent property owners. Currently, the law requires WMDs to give adjacent property owners the first opportunity to purchase these lands.
- Authorizes a WMD to sell surplus parcels of land valued at \$25,000 or less at any time to the general public for the highest price obtainable, if the parcel is not sold to an adjacent property owner.
- Defines the term “adjacent property owners” to mean “those owners whose property abuts the parcel.”

II. Present Situation:

There are five water management districts (WMDs) established within the state which are responsible for the administration of water resources at the regional level.¹ The four core mission areas of WMDs include water supply, water quality, flood protection and floodplain management, and natural systems. To accomplish these goals and responsibilities, WMDs are authorized to acquire fee or less than fee title to land.² Of the approximately 5.6 million acres of

¹ Department of Environmental Protection (DEP), *Water Management Districts*, <https://floridadep.gov/water-policy/water-policy/content/water-management-districts> (last visited Jan. 17, 2018).

² *Id.*; s. 373.139, F.S.

land that the state owns, the WMDs collectively own 2.15 million acres of land.³ The following is a breakdown of the land in acres owned by each WMD:

- Northwest Florida: 210,740.
- Suwannee River: 160,330.
- St. Johns River: 625,000.
- Southwest Florida: 337,810.
- South Florida: 818,840.⁴

Each WMD assesses its land inventory to ensure that the present and future uses of the lands it owns will be utilized in the most effective manner and support the WMD's core mission requirements. Lands determined to be surplus may be offered for public bid and sold pursuant to s. 373.089, F.S., conveyed by a WMD to another governmental entity pursuant to s. 373.056, F.S., or used in potential real estate exchange transactions. In most cases and depending on the source of funds that were initially used to purchase the lands, the proceeds from the disposition of lands revert to the fund from which the lands were acquired to be used for the purchase of acquiring additional lands.⁵

Sale of Surplus WMD Lands

The governing board of a WMD may sell lands, or interests or rights in lands, to which the WMD has acquired title, if the governing board declares the lands surplus. To declare lands surplus, a governing board must determine:

- For lands designated as acquired for conservation purposes, that the lands are no longer needed for conservation purposes.⁶
- For all other lands, that the lands are no longer needed.⁷

Upon determining that the lands are surplus, the governing board may dispose of conservation lands by a two-thirds vote and all other lands by a majority vote.⁸

The governing board of a WMD must first offer any land that was acquired in whole or in part using Florida Forever funds to the Board of Trustees of the Internal Improvement Trust Fund (BOT), unless the disposition of the land is for the following purposes:

- Linear facilities, including electric transmission and distribution facilities, telecommunication transmission and distribution facilities, pipeline transmission and distribution facilities, public transportation corridors, and related appurtenances.
- The disposition of the fee interest in the land where a conservation easement is retained by the WMD to fulfill the conservation objectives for which the land was acquired.
- An exchange of the land for other lands that meet or exceed the conservation objectives for which the original land was acquired.

³ DEP, *State of Florida Lands and Facilities Inventory Search*, State Lands Dashboard (01/07/2018), <http://prodenv.dep.state.fl.us/DsIPi/stateLandDashboard.action> (last visited Jan. 17, 2018).

⁴ *Id.*

⁵ Section 373.139(6), F.S.

⁶ FLA. CONST., art. x, s. 18.

⁷ Section 373.089(6), F.S.

⁸ *Id.*

- To be used by a governmental entity for a public purpose.
- The portion of an overall purchase deemed surplus at the time of the acquisition.⁹

Any surplus lands, including lands acquired with Florida Forever funds if the BOT declines to accept title, may be sold by the WMD at any time for the highest price obtainable; however, the selling price may not be less than the appraised value of the lands, as determined by a certified appraisal obtained within 360 days before the effective date of a contract for sale.¹⁰

Before selling surplus lands, a WMD must publish a notice of its intention to sell, which includes a description of the lands to be offered for sale, in a newspaper circulated in the county in which the lands are located once each week for three successive weeks. The first publication must occur at least 30 days, but no more than 360 days, before any sale.

Expedited process for parcels valued at \$25,000 or less

If the governing board of a WMD determines that a parcel of land is no longer essential or necessary for conservation purposes and the parcel is valued at \$25,000 or less as determined by a certified appraisal obtained within 360 days before the effective date of the contract for sale, the governing board may determine that the parcel of land is surplus.

The governing board must publish, one time only, a notice of intention to sell in a newspaper that is published within the county in which the parcel for sale is located at least 30 days, but not more than 360 days, before any sale.¹¹ The governing board is required to send the notice of intention to sell the parcel to adjacent property owners and post notice on its website. Fourteen days after publication of the notice, the WMD may sell the parcel to an adjacent property owner or, if there are two or more owners of adjacent property, accept sealed bids and sell the parcel to the highest bidder or reject all offers.¹² Thirty days after publication of the notice, the WMD must accept sealed bids and may sell the parcel to the highest bidder or reject all offers.¹³

III. Effect of Proposed Changes:

SB 806 amends s. 373.089, F.S., to revise the procedures a WMD must follow when selling surplus lands.

Under current law, a WMD must publish a notice of intention to sell in a newspaper published in the county in which the land is located for three successive weeks. The first publication of the notice must occur at least 30 days, but not more than 360 days, before any sale. The bill specifies that the first publication of the required notice must occur at least 30 days, but not more than 360 days, before any sale is approved by a WMD.

The bill revises the expedited process for surplus properties valued at \$25,000 or less to authorize, rather than require, a WMD to sell the land to an adjacent property owner. The bill

⁹ Section 373.089(7), F.S.

¹⁰ Section 373.089, F.S.

¹¹ Section 373.089(8), F.S.

¹² Section 373.089(8), F.S.

¹³ *Id.*

removes the requirement that a WMD accept sealed bids and sell the property to the highest bidder or reject all offers 30 days after publication of the notice of intention to sell.

The bill authorizes a WMD to sell a surplus parcel valued at \$25,000 or less at any time to the general public for the highest price obtainable, if the WMD does not elect to sell the parcel to the adjacent property owner.

If, however, a WMD does choose to sell to an adjacent property owner, the WMD must publish, one time only, a notice of intention to sell in a newspaper published in the county in which the land is located at least 30 days, but not more than 360 days, before any sale is approved by the WMD. The WMD is required to wait 14 days after publication of the notice before selling the parcel to an adjacent property owner. The bill defines the term “adjacent property owners” to mean “those owners whose property abuts the parcel.”

The bill takes effect July 1, 2018.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The bill may have a positive, indeterminate fiscal impact on WMDs selling surplus lands valued at \$25,000 or less by authorizing the parcels to be sold more efficiently by removing the requirement that a WMD must offer the land to adjacent property owners first and wait 30 days from publication of its notice of intention to sell before accepting offers from individuals who are not adjacent property owners.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 373.089 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.