# 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.)

BILL: CS/SB 376  INTRODUCER: Environment and Natural Resources Committee and Senator Montford  SUBJECT: Land Acquisition Trust Fund  DATE: March 5, 2019 REVISED:  ANALYST STAFF DIRECTOR REFERENCE ACTION  Anderson Rogers EN Fav/CS  AEG  AP	Pre	pared By: The Prof	essional Staff of the C	ommittee on Enviro	nment and Natural Resources
SUBJECT: Land Acquisition Trust Fund  DATE: March 5, 2019 REVISED:  ANALYST STAFF DIRECTOR REFERENCE ACTION  Anderson Rogers EN Fav/CS  AEG	BILL:	CS/SB 376			
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Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

# I. Summary:

CS/SB 376 creates a statutorily required distribution from the Land Acquisition Trust Fund of an annual appropriation of \$50 million through the 2025-2026 fiscal year for conservation and management projects to Bay, Calhoun, Franklin, Gadsden, Gulf, Holmes, Jackson, Jefferson, Leon, Liberty, Okaloosa, Wakulla, Walton, and Washington counties, which were heavily impacted by Hurricane Michael. The bill authorizes the Department of Environmental Protection to use the funds, and distribute funds to the appropriate agency to use, for projects related to reforestation; ecosystem management; fire control measures; debris removal; pollution mitigation; beach nourishment; coastal or shore protection structures; and land acquisition. The bill requires the annual distribution to be reduced by an amount equal to the debt service paid annually on bonds issued for such purposes after July 1, 2019.

#### II. Present Situation:

## **Land Acquisition Trust Fund**

Documentary stamp tax revenues are collected under ch. 201, F.S., which requires an excise tax to be levied on two classes of documents: deeds and other documents related to real property, which are taxed at the rate of 70 cents per \$100; and certificates of indebtedness, promissory

notes, wage assignments, and retail charge account agreements, which are taxed at 35 cents per \$100.1

In 2014, Florida voters approved Amendment One, a constitutional amendment to provide a dedicated funding source for land and water conservation and restoration. The amendment required that starting on July 1, 2015, and for 20 years thereafter, 33 percent of net revenues derived from documentary stamp taxes be deposited into the Land Acquisition Trust Fund (LATF). Article X, s. 28 of the State Constitution requires that funds in the LATF be expended only for the following purposes:

As provided by law, to finance or refinance: the acquisition and improvement of land, water areas, and related property interests, including conservation easements, and resources for conservation lands including wetlands, forests, and fish and wildlife habitat; wildlife management areas; lands that protect water resources and drinking water sources, including lands protecting the water quality and quantity of rivers, lakes, streams, springsheds, and lands providing recharge for groundwater and aquifer systems; lands in the Everglades Agricultural Area and the Everglades Protection Area, as defined in Article II, Section 7(b); beaches and shores; outdoor recreation lands, including recreational trails, parks, and urban open space; rural landscapes; working farms and ranches; historic or geologic sites; together with management, restoration of natural systems, and the enhancement of public access or recreational enjoyment of conservation lands. <sup>2</sup>

To implement Art. X, s. 28 of the State Constitution, the Legislature passed ch. 2015-229 Laws of Florida. This act, in part, amended the following sections of law:

- Section 201.15, F.S., to conform to the constitutional requirement that the LATF receive at least 33 percent of net revenues derived from documentary stamp taxes; and
- Section 375.041, F.S., to designate the LATF within the Department of Environmental Protection (DEP) as the trust fund to serve as the constitutionally mandated depository for the percentage of documentary stamp tax revenues.<sup>3</sup>

Under s. 375.041, F.S., funds deposited into the LATF must be distributed in the following order and amounts:

- First, obligations relating to debt service, specifically:
  - Payments relating to debt service on Florida Forever Bonds and Everglades restoration bonds.
- Then, before funds are authorized to be appropriated for other uses:
  - A minimum of the lesser of 25 percent of the funds remaining after the payment of debt service or \$200 million annually for Everglades projects that implement the Comprehensive Everglades Restoration Plan (CERP), the Long-Term Plan, or the Northern Everglades and Estuaries Protection Program (NEEPP), with priority given to

<sup>&</sup>lt;sup>1</sup> See ss. 201.02 and 201.08, F.S.

<sup>&</sup>lt;sup>2</sup> FLA. CONST. art. X, s. 28(b)(1).

<sup>&</sup>lt;sup>3</sup> Ch. 2015-229, ss. 9 and 50, Laws of Fla.

Everglades restoration projects that reduce harmful discharges of water from Lake Okeechobee to the St. Lucie or Caloosahatchee estuaries in a timely manner. From these funds, the following specified distributions are required:

- \$32 million annually through the 2023-2024 Fiscal Year for the Long-Term Plan;
- After deducting the \$32 million, the minimum of the lesser of 76.5 percent of the remainder or \$100 million annually through the 2025-2026 Fiscal Year for the CERP; and
- Any remaining funds for Everglades projects under the CERP, the Long-Term Plan, or the NEEPP.
- A minimum of the lesser of 7.6 percent of the funds remaining after the payment of debt service or \$50 million annually for spring restoration, protection, and management projects;
- \$5 million annually through the 2025-2026 Fiscal Year to the St. Johns River Water Management District for projects dedicated to the restoration of Lake Apopka; and
- \$64 million to the Everglades Trust Fund in the 2018-2019 Fiscal Year and each fiscal year thereafter, for the Everglades Agricultural Area reservoir project, and any funds remaining in any fiscal year shall be made available only for Phase II of the C-51 Reservoir Project or projects that implement CERP, the Long Term Plan, or NEEPP.
- Then, any remaining moneys are authorized to be appropriated for the purposes set forth in Art. X, s. 28 of the State Constitution.<sup>4</sup>

The General Revenue Estimating Conference in December of 2018 estimated that for the 2019-2020 Fiscal Year a total of \$2.76 billion would be collected in documentary stamp taxes.<sup>5</sup> Thirty-three percent of the net revenues collected, or approximately \$906.6 million, must be deposited into the LATF in accordance with Art. X, s. 28 of the State Constitution.

In 2015, two lawsuits were filed challenging the constitutionality of appropriations from the LATF and expenditures by state agencies. The cases were consolidated and a hearing was held in June of 2018. The plaintiffs argued that funds from the LATF were appropriated and expended for general state expenses in ways that were inconsistent with the constitutional language. The court held for the plaintiffs, stating the amendment requires the funds be used for acquiring conservation lands, and for improving, managing, restoring, and enhancing public access to conservation lands acquired after the effective date of the amendment. The decision described how LATF funds may be used, and ruled numerous appropriations from 2015 and 2016 unconstitutional. The case was appealed and is currently in the First District Court of Appeal. The case was appealed and is currently in the First District Court of Appeal.

<sup>&</sup>lt;sup>4</sup> Section 375.041(3)-(4), F.S.

<sup>&</sup>lt;sup>5</sup> Office of Economic & Demographic Research, Revenue Estimating Conference, *Documentary Stamp Tax, Executive Summary*, 3 (2018), *available at* <a href="http://edr.state.fl.us/Content/conferences/docstamp/docstampexecsummary.pdf">http://edr.state.fl.us/Content/conferences/docstamp/docstampexecsummary.pdf</a> (last visited Feb. 25, 2019).

<sup>&</sup>lt;sup>6</sup> Florida Wildlife Federation, Inc. v. Negron, No. 2015-CA-001423 (Fla. 2nd Cir. Ct.); Florida Defenders of the Environment, Inc., v. Detzner, No. 2015-CA-002682 (Fla. 2nd Cir. Ct.).

 $<sup>^7</sup>$  Florida Wildlife Federation, Inc. v. Negron, Nos. 2015-CA-001423, 2015-CA-002682 (Fla. 2nd Cir. Ct. June 28, 2018).  $^8$  Id. at 3.

<sup>&</sup>lt;sup>9</sup> *Id.* at 7–8.

<sup>&</sup>lt;sup>10</sup> Oliva v. Florida Wildlife Federation, Inc., 1D18-3141 (Fla. 1st Dist. Ct. App.).

# **Hurricane Michael Impacts**

In October of 2018, Hurricane Michael hit Florida's panhandle with wind speeds in excess of 155 miles per hour. The storm made landfall as a Category 4 hurricane, ranking by pressure as the third-most intense Atlantic hurricane in the history of the United States. <sup>11</sup> The hurricane brought dangerous storm surge, rainfall, strong winds, hazardous seas, and tornadic activity in the Gulf Coast. The storm devastated the region, causing billions of dollars in damage and the loss of many businesses, homes, and lives.



Figure 1. Hurricane Michael track with landfall in Bay County, Florida (Source: CIMSS/Univ. of Wisconsin-Madison).

Governor Rick Scott declared a state of emergency on October 7, 2018 in 26 Florida counties. <sup>12</sup> He extended the order on December 5, 2018 to Bay, Calhoun, Franklin, Gadsden, Gulf, Holmes, Jackson, Jefferson, Leon, Liberty, Okaloosa, Wakulla, Walton, and Washington counties. <sup>13</sup> The

<sup>&</sup>lt;sup>11</sup> State of Florida, Office of the Governor, Executive Order No. 18-360 (Dec. 5, 2018), *available at* <a href="https://www.floridadisaster.org/globalassets/info-pages/eo-18-360-hurricane-michael-extension-1.pdf">https://www.floridadisaster.org/globalassets/info-pages/eo-18-360-hurricane-michael-extension-1.pdf</a> (last visited Feb. 6, 2019).

<sup>&</sup>lt;sup>12</sup> State of Florida, Office of the Governor, Executive Order No. 18-276 (Oct. 7, 2018), *available at* <a href="https://www.fmcsa.dot.gov/sites/fmcsa.dot.gov/files/docs/emergency/423086/fl-eo-18-276-michael.pdf">https://www.fmcsa.dot.gov/sites/fmcsa.dot.gov/files/docs/emergency/423086/fl-eo-18-276-michael.pdf</a> (last visited Feb. 6, 2019).

<sup>&</sup>lt;sup>13</sup> State of Florida, Office of the Governor, Executive Order No. 18-360 (Dec. 5, 2018), *available at* <a href="https://www.floridadisaster.org/globalassets/info-pages/eo-18-360-hurricane-michael-extension-1.pdf">https://www.floridadisaster.org/globalassets/info-pages/eo-18-360-hurricane-michael-extension-1.pdf</a> (last visited Feb. 6, 2019).

same counties were also included in DEP's emergency order issued on October 8, 2018.<sup>14</sup> DEP entered its order to address emergency needs and expedite restoration efforts for necessary repair, replacement, and restoration of structures, equipment, water and wastewater management systems, public works, and other systems damaged by the hurricane.<sup>15</sup> Due to ongoing recovery efforts, DEP extended its order through April 2, 2019, unless modified or extended by order.<sup>16</sup>

## Department of Environmental Protection

In presentations to the Florida Senate Committee on Environment and Natural Resources, state agencies discussed impacts of Hurricane Michael and post-storm needs. DEP emphasized the importance of fuel and fire mitigation and reforestation. Because of the catastrophic timber losses in the region, reforestation projects are necessary to recover profits and restore the natural habitats and character of the area. However, reforestation cannot begin until enough downed debris has been removed to allow access for planting and to allow seedlings to have a good chance of thriving and surviving prescribed burns.<sup>17</sup> The Florida Forestry Service estimated that the first expected reforestation efforts will begin in winter 2019 and will take several years.<sup>18</sup>

DEP also discussed regional long-term needs for restoration and enhancement of infrastructure and natural resources. <sup>19</sup> One of the significant and lasting effects of a hurricane is the large amount of debris that is deposited on land, in water, on beaches and dunes, and on and around homes. Debris removal can take months to complete. Debris must be removed for safety, to reduce fire risk, and to allow for the restoration of the natural flow of water. Debris must also be removed from beaches and dunes prior to any fill activities. It can be difficult to access debris, particularly in areas without significant infrastructure or with roadways that sustained damage from the storm. Debris removal efforts are expensive and time-consuming.

<sup>&</sup>lt;sup>14</sup> Department of Environmental Protection, Emergency Final Order, OGCC No. 18-1335, 1-2 (Oct. 8, 2018), *available at* <a href="https://floridadep.gov/sites/default/files/18-1335%20-%20Hurricane%20Michael%20EFO%20-%20Repairs.pdf">https://floridadep.gov/sites/default/files/18-1335%20-%20Hurricane%20Michael%20EFO%20-%20Repairs.pdf</a> (last visited Feb. 6, 2019).

<sup>&</sup>lt;sup>15</sup> *Id*.

<sup>&</sup>lt;u>%20First%20Amended%20and%20Restated%20EFO%20-%20Repairs\_1.pdf</u> (last visited Mar. 1, 2019); DEP, Second Amended and Restated Emergency Final Order, OGCC No. 18-1335 (Dec. 6, 2018), *available at* <a href="https://floridadep.gov/sites/default/files/18-">https://floridadep.gov/sites/default/files/18-</a>

<sup>1335%20</sup>Second%20Amended%20and%20Restated%20Emergency%20Final%20Order 0.pdf (last visited Mar. 1, 2019); DEP, Third Amended and Restated Emergency Final Order, OGCC No. 18-1335 (Feb. 1, 2019), available at <a href="https://floridadep.gov/sites/default/files/18-1335%20-">https://floridadep.gov/sites/default/files/18-1335%20-</a>

<sup>%20</sup>Third%20Amended%20Hurricane%20Michael%20EFO%20for%20Repairs\_0.pdf (last visited Mar. 1, 2019).

<sup>&</sup>lt;sup>17</sup> Email from Kevin Cleary, Legislative Affairs Director, DEP (Jan. 16, 2019), on file with Senate Committee on Environment and Natural Resources.

<sup>&</sup>lt;sup>18</sup> Email from Emily Buckley, Legislative Affairs Director, DACS (Jan. 17, 2019), on file with Senate Committee on Environment and Natural Resources.

<sup>&</sup>lt;sup>19</sup> David Clark, Deputy Secretary of DEP, *Hurricane Michael and the Path Forward*, Presentation to Senate Committee on Environment and Natural Resources (Jan. 8, 2019), *available at* <a href="http://www.flsenate.gov/PublishedContent/Committees/2018-2020/EN/MeetingRecords/MeetingPacket\_4316.pdf">http://www.flsenate.gov/PublishedContent/Committees/2018-2020/EN/MeetingRecords/MeetingPacket\_4316.pdf</a> (last visited Feb. 26, 2019).

Once debris removal efforts are farther along, beaches will require restoration through beach nourishment, or the replacement of sand that a beach has lost.<sup>20</sup> Several counties experienced major dune erosion after Hurricane Michael.<sup>21</sup> DEP has conducted coastal damage assessments and is undertaking projects to return sand to the beach and dune system that was deposited upland by the hurricane.<sup>22</sup> Coastal damage assessments have shown that beach and dune erosion can lead to vulnerabilities and imminent damage in upland development and infrastructure. DEP found significant damage to coastal or shore protection structures, including seawalls, bulkheads, retaining walls, revetments, sills, or other rigid coastal protection structures.<sup>23</sup>

State parks in the northwest part of the state were heavily impacted by Hurricane Michael. The Division of Recreation and Parks stated that the storm caused damage in 31 parks in the panhandle. DEP estimated that Hurricane Michael caused \$7 million in revenue losses and \$50 million in estimated impacts to park operations. The parks have various post-storm needs including wildfire risk mitigation, reforestation, and infrastructure repairs. Currently, two parks remain closed. One of the most heavily impacted state parks is the T.H. Stone Memorial St. Joseph Peninsula State Park, located on Cape San Blas between the Gulf of Mexico and St. Joseph Bay. The hurricane caused massive wind and waves which destroyed roads, campgrounds, and buildings, leaving some areas inaccessible. Sand buried entire portions of the park and the powerful storm surge created two inlets which divided the park into three areas, parts of which are now only accessible by boat.

Department of Agriculture and Consumer Services

The Department of Agriculture and Consumer Services (DACS) reported that agricultural losses totaled \$1.475 billion, with \$1.289 billion of that amount coming from forestry losses.<sup>29</sup> There is

<sup>&</sup>lt;sup>20</sup> See s. 161.021, F.S. "Beach restoration" means the placement of sand on an eroded beach for the purposes of restoring it as a recreational beach and providing storm protection for upland properties. "Beach nourishment" means the maintenance of a restored beach by the replacement of sand.

<sup>&</sup>lt;sup>21</sup> Division of Water Resource Management, DEP, *Preliminary Hurricane Michael Post-Storm Beach Conditions and Coastal Impact Report* (Nov. 2018), *available at* <a href="https://floridadep.gov/sites/default/files/MichaelPreliminaryReport.pdf">https://floridadep.gov/sites/default/files/MichaelPreliminaryReport.pdf</a> (last visited Feb. 5, 2019).

<sup>&</sup>lt;sup>22</sup> *Id*.

<sup>&</sup>lt;sup>23</sup> Division of Water Resource Management, DEP, *Preliminary Hurricane Michael Post-Storm Beach Conditions and Coastal Impact Report* (November 2018), *available at* <a href="https://floridadep.gov/sites/default/files/MichaelPreliminaryReport.pdf">https://floridadep.gov/sites/default/files/MichaelPreliminaryReport.pdf</a> (last visited Feb. 5, 2019).

<sup>&</sup>lt;sup>24</sup> Florida State Parks, *Recovery Efforts*, <a href="https://www.floridastateparks.org/HurricaneRecovery">https://www.floridastateparks.org/HurricaneRecovery</a> (last visited Feb. 25, 2019).

<sup>&</sup>lt;sup>25</sup> David Clark, Deputy Secretary of DEP, *Hurricane Michael and the Path Forward*, Presentation to Senate Committee on Environment and Natural Resources (Jan. 8, 2019), *available at* 

http://www.flsenate.gov/PublishedContent/Committees/2018-2020/EN/MeetingRecords/MeetingPacket 4316.pdf (last visited Feb. 26, 2019).

<sup>&</sup>lt;sup>26</sup> Florida State Parks, *Storm Updates*, <a href="https://www.floridastateparks.org/StormUpdates">https://www.floridastateparks.org/StormUpdates</a> (last visited Feb. 25, 2019); DEP, *Dr. Julian G. Bruce St. George Island State Park Reopens* (Feb. 28, 2019), *available at* <a href="https://content.govdelivery.com/accounts/FLDEP/bulletins/22ebc9f">https://content.govdelivery.com/accounts/FLDEP/bulletins/22ebc9f</a> (last visited Feb. 28, 2019).

<sup>&</sup>lt;sup>27</sup> Florida State Parks, *Hurricane Recovery – T.H. Stone Memorial St. Joseph Peninsula State Park*, <a href="https://www.floridastateparks.org/learn/hurricane-recovery-t-h-stone-memorial-st-joseph-peninsula-state-park">https://www.floridastateparks.org/learn/hurricane-recovery-t-h-stone-memorial-st-joseph-peninsula-state-park</a> (last visited Feb. 25, 2019).

<sup>&</sup>lt;sup>28</sup> Florida State Parks, *T.H. Stone Memorial St. Joseph Peninsula State Park*, <a href="https://www.floridastateparks.org/parks-and-trails/t-h-stone-memorial-st-joseph-peninsula-state-park">https://www.floridastateparks.org/parks-and-trails/t-h-stone-memorial-st-joseph-peninsula-state-park</a> (last visited Feb. 25, 2019).

<sup>&</sup>lt;sup>29</sup> Jim Karels, Director of Florida Forest Service, *Hurricane Michael Impacts, Actions and Needs*, Presentation to Senate Committee on Environment and Natural Resources (Jan. 8, 2019), *available at* 

an increased wildfire risk in the region due to the damage in 2.81 million acres of timber.<sup>30</sup> The large amount of dead and decaying timber creates higher fuel loadings and reduced fire equipment access. Fire control projects are needed to reduce the fuel loadings and provide increased protection from wildfires to people, homes, and the forest.<sup>31</sup>

DACS reported that the majority of land impacted is private. The Florida Forestry Service within DACS is pursuing wildfire mitigation methods and is working to provide private landowners with assistance such as pile burning classes, debris removal, and reforestation.<sup>32</sup> DACS is also concerned about increased invasive species due to the large amount of fallen timber, such as pine beetles, which feed on damaged and decayed timber.<sup>33</sup> Fire control projects can also be used for disease control, wildlife habitat improvement, range management, preservation of endangered plant and animal species, and maintenance of fire-dependent ecosystems.<sup>34</sup>

## Florida Fish and Wildlife Conservation Commission

The Florida Fish and Wildlife Conservation Commission (FWC) reported on the loss of timber, damage to coastlines, and impacts to forest ecosystems and species habitats. Ecosystem management through coordinated efforts will be necessary to restore ecosystems and habitats. FWC stated that removal of fallen timber is the most immediate need to allow for ecosystem management activities such as prescribed burns and invasive plant control. <sup>36</sup>

# Northwest Florida Water Management District

The Northwest Florida Water Management District reported on the total acreage under its jurisdiction that was impacted by damage. There were 44,457 acres of uplands impacted, which includes 400 miles of public access roads, 128 miles of recreational trails, and 47 recreation sites.<sup>37</sup> There were nearly 1,200 miles in the region where trees and debris disrupted streamflow in watersheds and tributaries.<sup>38</sup> Changes in streamflow can lead to flooding downstream.<sup>39</sup>

http://www.flsenate.gov/PublishedContent/Committees/2018-2020/EN/MeetingRecords/MeetingPacket 4316.pdf (last visited Feb. 26, 2019).

<sup>31</sup> DACS, *Wildland Fire*, <a href="https://www.freshfromflorida.com/Divisions-Offices/Florida-Forest-Service/Wildland-Fire">https://www.freshfromflorida.com/Divisions-Offices/Florida-Forest-Service/Wildland-Fire</a> (last visited Mar. 1, 2019).

<sup>&</sup>lt;sup>30</sup> *Id*.

<sup>&</sup>lt;sup>32</sup> *Id*.

<sup>&</sup>lt;sup>33</sup> *Id*.

<sup>&</sup>lt;sup>34</sup> Division of Agriculture and Consumer Services, *Prescribed Fire in Florida*, <a href="https://www.freshfromflorida.com/Divisions-Offices/Florida-Forest-Service/For-Landowners/Management-Planning/How-to-Manage/Prescribed-Fire">https://www.freshfromflorida.com/Divisions-Offices/Florida-Forest-Service/For-Landowners/Management-Planning/How-to-Manage/Prescribed-Fire</a> (last visited Feb. 26, 2019).

<sup>&</sup>lt;sup>35</sup> Kipp Frohlich, Director of Habitat and Species Conservation, *Hurricane Michael Impacts to Fish and Wildlife Habitat and Populations*, Presentation to Senate Committee on Environment and Natural Resources (Jan. 8, 2019), *available at* <a href="http://www.flsenate.gov/PublishedContent/Committees/2018-2020/EN/MeetingRecords/MeetingPacket\_4316.pdf">http://www.flsenate.gov/PublishedContent/Committees/2018-2020/EN/MeetingRecords/MeetingPacket\_4316.pdf</a> (last visited Feb. 26, 2019).

<sup>&</sup>lt;sup>36</sup> Email from Lance Watson, Deputy Legislative Affairs Director, FWC (Jan. 18, 2019), on file with Senate Committee on Environment and Natural Resources.

<sup>&</sup>lt;sup>37</sup> Brett Cyphers, Executive Director of Northwest Florida Water Management District, *Hurricane Michael Impacts*, Presentation to Senate Committee on Environment and Natural Resources (Jan. 8, 2019), *available at* <a href="http://www.flsenate.gov/PublishedContent/Committees/2018-2020/EN/MeetingRecords/MeetingPacket\_4316.pdf">http://www.flsenate.gov/PublishedContent/Committees/2018-2020/EN/MeetingRecords/MeetingPacket\_4316.pdf</a> (last visited Feb. 26, 2019).

<sup>&</sup>lt;sup>38</sup> *Id*.

<sup>&</sup>lt;sup>39</sup> *Id*.

# Hurricane Michael Spending

As of January 2019, \$384.7 million has been authorized through a series of budget amendments for Hurricane Michael response and recovery efforts. 40 Of this amount, \$298 million is authorized to be spent from the General Revenue Fund and \$86.7 million from trust funds. Further, of the total authorized appropriations, approximately \$27.7 million is designated for recovery efforts related to land management and water quality. FWC is authorized to spend \$10.9 million for derelict vessel removal and law enforcement activities. DEP is authorized to spend \$16.8 million for emergency repairs to state parks and coastal and aquatic managed areas. The Executive Office of the Governor has projected that the state will spend \$1.1 billion on Hurricane Michael recovery efforts. 41 Recovery costs are burdensome to both the state and local governments.

While the storm caused widespread destruction, land that was proposed for future conservation before the storm is expected to still be suitable for conservation purposes. The Office of Economic and Demographic Research has identified 287,268.32 acres of land that withstood sustained hurricane force winds and which are on lists of future potential conservation land from state agencies. 42

## Federal Assistance

The federal storm reimbursement policy under FEMA authorizes public assistance, including assistance for emergency work and the repair or replacement of disaster-damaged facilities. <sup>43</sup> Public assistance was initially authorized in Bay, Calhoun, Franklin, Gadsden, Gulf, Hamilton, Jackson, Jefferson, Leon, Liberty, Madison, Suwannee, Taylor, and Wakulla counties for debris removal and emergency protective measures. <sup>44</sup> The policy also authorized individual assistance in certain counties and provided for assistance under the Hazard Mitigation Grant Program. <sup>45</sup> The policy has been amended several times to revise which counties are eligible for federal funding and to adjust the state and local cost sharing. <sup>46</sup> Many local governments have incurred significant costs for debris removal and have areas of land that are difficult to reach and have continued recovery needs.

<sup>&</sup>lt;sup>40</sup> Office of Economic and Demographic Research, *Annual Assessment of Florida's Water Resources and Conservation Lands*, 157-159 (2019), *available at* <a href="http://edr.state.fl.us/Content/natural-resources/LandandWaterAnnualAssessment\_2019Edition.pdf">http://edr.state.fl.us/Content/natural-resources/LandandWaterAnnualAssessment\_2019Edition.pdf</a> (last visited Feb. 26, 2019).

<sup>&</sup>lt;sup>41</sup> Executive Office of the Governor, 2019-2020 Budget, available at <a href="http://www.boldvisionforabrighterfuture.com/content/current/Transportation.htm">http://www.boldvisionforabrighterfuture.com/content/current/Transportation.htm</a> (last visited Feb. 26, 2019).

<sup>&</sup>lt;sup>42</sup> Office of Economic & Demographic Research, Revenue Estimating Conference, *Documentary Stamp Tax, Executive Summary*, 3 (2018), *available at* <a href="http://edr.state.fl.us/Content/conferences/docstamp/docstampexecsummary.pdf">http://edr.state.fl.us/Content/conferences/docstamp/docstampexecsummary.pdf</a> (last visited Feb. 25, 2019). Figure 5.3.1 shows a map of conservation lands acquired in the past or identified for future acquisition located within the area that felt sustained hurricane force winds.

<sup>&</sup>lt;sup>43</sup> FEMA-4399-DR, *Hurricane Michael Federal Reimbursement Policy* (Oct. 11, 2018), on file with Senate Committee on Environment and Natural Resources.

<sup>&</sup>lt;sup>44</sup> *Id*.

<sup>&</sup>lt;sup>45</sup> *Id*.

<sup>&</sup>lt;sup>46</sup> FEMA-4399-DR, *Amendments to Hurricane Michael Federal Reimbursement Policy*, on file with Senate Committee on Environment and Natural Resources.

# III. Effect of Proposed Changes:

CS/SB 376 creates a statutorily required distribution from the Land Acquisition Trust Fund (LATF) of an annual appropriation of \$50 million through the 2025-2026 fiscal year for conservation and management projects to Bay, Calhoun, Franklin, Gadsden, Gulf, Holmes, Jackson, Jefferson, Leon, Liberty, Okaloosa, Wakulla, Walton, and Washington counties, which were impacted by Hurricane Michael. The bill authorizes the Department of Environmental Protection to use the funds, and distribute funds to the appropriate agency to use, for projects related to reforestation; ecosystem management; fire control measures; debris removal; pollution mitigation; beach nourishment; coastal or shore protection structures; and land acquisition.

The bill requires the annual distribution to be reduced by an amount equal to the debt service paid annually on bonds issued for such purposes after July 1, 2019.

The bill deletes an obsolete provision pertaining to the appropriation of funds for the 2018-2019 fiscal year.

The bill takes effect July 1, 2019.

# IV. Constitutional Issues:

<ul> <li>A. Municipality/County Mandates Rest</li> </ul>	วรินานินบาร.
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None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

The bill creates a new distribution from LATF to use funds for certain conservation, management, and land acquisition projects. LATF has constitutionally restricted uses, which are discussed in the Present Situation section of this bill analysis.

# V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

# B. Private Sector Impact:

There may be indeterminate positive economic impacts to individuals and businesses that benefit from projects conducted using funds distributed from LATF under the bill.

# C. Government Sector Impact:

The bill creates a specific annual distribution from the Land Acquisition Trust Fund through the 2025-2026 fiscal year, which may affect other programs that are funded through the trust fund.

Local governments may have an indeterminate positive fiscal impact by saving on expenditures for projects that are eligible for funds distributed from LATF under the bill.

# VI. Technical Deficiencies:

None.

#### VII. Related Issues:

None.

#### VIII. Statutes Affected:

This bill substantially amends section s. 375.041of the Florida Statutes.

## IX. Additional Information:

## A. Committee Substitute – Statement of Substantial Changes:

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

## CS by Environment and Natural Resources Committee on March 5, 2019:

- Clarifies that the LATF distribution can be used for land acquisition; deletes the use of the funds for construction, enhancement, or expansion of wastewater treatment facilities; and makes technical and clarifying changes.
- Authorizes DEP to distribute funds to appropriate agencies to use for projects.

## B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.