

STORAGE NAME: s1204s1z.ep
DATE: June 17, 1998

****FINAL ACTION****
****SEE FINAL ACTION STATUS SECTION****

**HOUSE OF REPRESENTATIVES
AS FURTHER REVISED BY THE COMMITTEE ON
ENVIRONMENTAL PROTECTION
FINAL BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

BILL #: CS/SB 1204

RELATING TO: Brownfields Redevelopment

SPONSOR(S): Committee on Natural Resources and Senator Latvala

COMPANION BILL(S): HB 4441 (s) by Representative Constantine

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) NATURAL RESOURCES
- (2) COMMUNITY AFFAIRS
- (3) WAYS AND MEANS
- (4)
- (5)

I. FINAL ACTION STATUS:

On April 15 the Senate passed CS/SB 1204 by a vote of 38 to 0. On April 29, HB 4441 was laid on the table and CS/SB 1204 was substituted and passed the House by a vote of 116 to 1. The act then became law on May 22 without the signature of the Governor, Chapter 98-118, L.O.F.

II. SUMMARY:

Creates the Brownfield Property Ownership Clearance Assistance Revolving Loan Trust Fund (Trust Fund). The trust fund will be administered by the Office of Tourism, Trade, and Economic Development (OTTED). The OTTED will be authorized to make loans for the purchase of certain liens and claims on brownfield sites designated for redevelopment. Terms of the loans are not to exceed 5 years and the interest rate will be no greater than that paid on the last bonds sold under s. 14, Art. VII of the State Constitution. The OTTED is given the authority to adopt necessary rules.

This act will take effect contingent upon passage of a bill relating to brownfields redevelopment (CS/SB 1202).

III. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

In 1997, the Legislature passed the Brownfields Redevelopment Act to provide incentives for the private sector to redevelop abandoned, idled, or underused industrial and commercial properties where expansion or redevelopment is complicated by real or perceived environmental contamination.

The intent of the act was that the reduction of public health and environmental hazards on existing commercial and industrial sites is vital to their use and reuse and that there should be incentives to encourage voluntary cleanup. Further, minority and low-income communities are disproportionately impacted by targeted environmentally hazardous sites and that environmental justice considerations should be inherent in meaningful public participation elements of a brownfields program. Cooperation among federal, state, and local agencies, local redevelopment organizations, current owners, and prospective purchasers of brownfield sites is required to accomplish timely cleanup activities and the redevelopment and reuse of brownfield sites.

A significant feature of the act was the emphasis on redevelopment and economic incentives to encourage the private sector to redevelop these often blighted urban properties. State and local governments were encouraged to offer redevelopment incentives which may include financial, regulatory, and technical assistance. In addition, the act provided for brownfield redevelopment bonus refunds. Any qualified target industry business could be eligible for a \$2,500 bonus refund for each new Florida job created in a brownfield which is claimed on the qualified target business's annual refund claim authorized in s. 288.106(6), F.S., and which is approved by the director of the Office of Tourism, Trade, and Economic Development.

B. EFFECT OF PROPOSED CHANGES:

This act creates the Brownfield Property Ownership Clearance Assistance Revolving Loan Trust Fund to be administered by the OTTED. The purpose of the trust fund is to provide low-interest loans for the purchase of outstanding, unresolved contractor liens, tax certificates, or other liens or claims on brownfield sites designated by a local government under s. 376.80, F.S. The loans may be used for a negotiated settlement of legally recognized liens or claims at a value less than their face value taking into account the overall feasibility of redevelopment of the brownfield area. The FY 1998-99 General Appropriations Act provides \$4 million for this purpose.

The trust fund may be used for the deposit of all moneys appropriated by the Legislature to fund this revolving loan program. All moneys in the fund that are not needed on an immediate basis for loans must be invested pursuant to s. 215.49, F.S. The principal and interest of all loans repaid and investment earnings must be deposited into the fund.

The OTTED may make loans to local governments, community redevelopment agencies created under s. 163.356, F.S., or s. 163.357, F.S., or persons or nonprofit corporations responsible for brownfield site rehabilitation designated under s. 376.80, F.S. The terms of loans may not exceed 5 years. The interest rate on loans may be no greater than that paid on the last bonds sold for pollution control and abatement under Section 14, Article

VII of the State Constitution. A loan to any single brownfield area may not exceed 25 percent of the total funds available for making loans during that fiscal year.

The OTTED is authorized to adopt rules to implement this program.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

The OTTED is given the authority to adopt the necessary rules for the implementation of this trust fund.

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

The OTTED is given the responsibility of administering the trust fund.

(3) any entitlement to a government service or benefit?

No.

b. If an agency or program is eliminated or reduced:

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

N/A

(2) what is the cost of such responsibility at the new level/agency?

N/A

(3) how is the new agency accountable to the people governed?

N/A

2. Lower Taxes:

- a. Does the bill increase anyone's taxes?

No.

- b. Does the bill require or authorize an increase in any fees?

No.

- c. Does the bill reduce total taxes, both rates and revenues?

No.

- d. Does the bill reduce total fees, both rates and revenues?

No.

- e. Does the bill authorize any fee or tax increase by any local government?

No.

3. Personal Responsibility:

- a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

No.

- b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

No.

4. Individual Freedom:

- a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

No.

- b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

No.

5. Family Empowerment:

a. If the bill purports to provide services to families or children:

(1) Who evaluates the family's needs?

N/A

(2) Who makes the decisions?

N/A

(3) Are private alternatives permitted?

N/A

(4) Are families required to participate in a program?

N/A

(5) Are families penalized for not participating in a program?

N/A

b. Does the bill directly affect the legal rights and obligations between family members?

N/A

c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

(1) parents and guardians?

N/A

(2) service providers?

N/A

(3) government employees/agencies?

N/A

D. STATUTE(S) AFFECTED:

None.

E. SECTION-BY-SECTION RESEARCH:

Section 1: Creates the Brownfield Property Ownership Clearance Assistance Revolving Loan Trust Fund.

Section 2: Provides that the act will take effect contingent upon passage of a bill relating to brownfields redevelopment.

IV. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

None.

2. Recurring Effects:

See section III D. Fiscal Comments.

3. Long Run Effects Other Than Normal Growth:

None.

4. Total Revenues and Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

None.

2. Recurring Effects:

None.

3. Long Run Effects Other Than Normal Growth:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

None.

2. Direct Private Sector Benefits:

These loans could facilitate the redevelopment of brownfield areas.

3. Effects on Competition, Private Enterprise and Employment Markets:

None.

D. FISCAL COMMENTS:

This trust fund would fund the activities of the Brownfield Property Ownership Clearance Assistance Program provided in CS/SB 1202. Provisions of CS/SB 1202 provide a transfer from the General Revenue Fund of up to \$5 million annually to the trust fund. The FY 1998-99 General Appropriations Act provides \$4 million for this purpose.

V. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This act does not require counties or municipalities to spend funds or take an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This act does not reduce the authority that municipalities and counties have to raise revenues.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This act does not reduce the percentage of state tax shared with counties and municipalities.

VI. COMMENTS:

This act requires a three-fifths vote of the membership of each house to become law. It also requires the passage of a bill relating to brownfields redevelopment.

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VII. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

None.

VIII. SIGNATURES:

COMMITTEE ON ENVIRONMENTAL PROTECTION:

Prepared by:

Legislative Research Director:

Chris Flack

Wayne Kiger

FINAL RESEARCH PREPARED BY COMMITTEE ON ENVIRONMENTAL PROTECTION:

Prepared by:

Legislative Research Director:

Chris Flack

Wayne Kiger