

STORAGE NAME: h1577.wrm
DATE: March 29, 1997

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
WATER & RESOURCE MANAGEMENT
BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

BILL #: HB 1577

RELATING TO: State Lands

SPONSOR(S): Representative Sembler

STATUTE(S) AFFECTED: Sections 253.034, 253.7825, 259.032, and 373.139, F.S.

COMPANION BILL(S): HB 1119 (c) and SB 1262 (c)

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

- (1) WATER & RESOURCE MANAGEMENT
 - (2) GENERAL GOVERNMENT (Fiscal)
 - (3)
 - (4)
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I. SUMMARY:

HB 1577 shifts the current emphasis of managing publicly-owned conservation, preservation and recreational lands from a primarily single-use strategy to that of a multiple-use stewardship strategy.

The bill also increases by 50 percent the amount of management funding set aside in the Conservation and Recreation Lands (CARL) Trust Fund each year for land management. In fiscal year 1997-1998, that change would make available an additional \$10 million, for a total of \$31.5 million, to state agencies responsible for managing conservation, preservation and recreational lands.

HB 1577 also creates "management needs category teams" comprised of the director of the Department of Agriculture and Consumer Services' Division of Forestry; the director of the Department of Environmental Protection's (DEP's) Division of Recreation and Parks; the executive director of the Florida Game and Fresh Water Fish Commission; a private land manager; and the chairperson of the county commission in the county most affected by a land acquisition project. Each team would evaluate the management needs of each acquisition project and make the final determination on the types of activities to be allowed. The agency which is assigned the lead management responsibilities for the land acquired would be able to request that the team re-evaluate its decision, based on a change in public usage or an increased impact, or threat to, an endangered species or other natural resource.

Finally, HB 1577 directs the Governor and Cabinet, sitting as the Board of Trustees of the Internal Trust Fund, to consider contracting with a soil and water conservation district board to manage or monitor those acquisitions of less-than-fee interests in land that are or will be used for agriculture.

HB 1577 has an indeterminate fiscal impact. At least an additional \$10 million a year would be available for land management activities from the CARL Trust Fund, but how much the state would receive from revenue-generating activities is unknown.

The bill would take effect upon becoming a law.

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II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

In 1990, the Legislature and then-Governor Bob Martinez created the Florida Preservation 2000 program, conceived as a 10-year land-acquisition program to purchase lands for preservation, conservation and recreational purposes. The acquisitions are made with bond proceeds of \$300 million annually, for a total of \$3 billion. The Florida Preservation 2000 (or P2000) program remains the most ambitious land acquisition program of its type in the United States.

Seven agencies receive P2000 funding:

- o **The CARL program** within the Department of Environmental Protection's (DEP's) Division of State Lands. CARL receives 50 percent of the P2000 allocation, of which it must spend one-fifth on coastal property acquisitions. Traditionally, CARL has focused on acquiring large, pristine parcels, or environmentally sensitive parcels.
- o The five WMDs share 30 percent of the P2000 bond proceeds, which are deposited in the Water Management Lands Trust Fund to finance the **Save Our Rivers (SOR) land-acquisition program**. Created in 1981, SOR is controlled by the five district governing boards, although DEP retains administrative oversight. Each district adopts a five-year SOR land acquisition and management plan, which is updated annually. SOR focuses on purchasing lands within watersheds and along shorelines which are categorized by the WMD's as being "necessary" for management, protection, and conservation of Florida's water resources.
- o **The Florida Communities Trust (FCT)** was created in 1989 within the Department of Community Affairs and receives a 10-percent allocation of P2000 funds. FCT was created to assist local governments in implementing their conservation, recreation and open space, and coastal elements of their comprehensive plans. The Legislature also intended FCT to provide technical assistance to local governments with the identification, purchase and management of natural resources and recreational lands. P2000 provides the money needed by FCT to make land-acquisition grants to local governments, whose projects are selected and ranked by a five-member governing board. Title to these lands generally vests in the name of the local government.
- o **The Game and Fresh Water Fish Commission** receives a 2.9-percent allocation of P2000 bond funds, which equals \$8.7 million annually, less costs associated with bond financing. The game commission typically uses these funds for acquisition of inholdings and additions to lands managed by the commission. New land purchases are intended to better protect and manage the game commission's existing parcels. The Division of State Lands oversees the acquisition of these lands, and their title vests in the Board of Trustees.
- o DEP's **Division of Recreation and Parks** focuses on purchasing property either adjacent to, or surrounded by state park lands. It also receives a 2.9 percent allocation of P2000 funds. The Division of State Lands reviews the final projects

selected for addition, and oversees their acquisition. Title to these lands vests in the trustees.

- o Similarly, the Department of Agriculture and Consumer Services' **Division of Forestry** uses its 2.9 percent share of P2000 funds for inholdings and additions to the state forest system. Title to these lands vests in the trustees.
- o Finally, **the Florida Greenways and Trails Program** designates purchases of abandoned railroad corridors with the potential for recreational activities such as hiking, bicycling, horseback riding and nature study. Until this year, the Division of Recreation and Parks was responsible for selecting and prioritizing the projects for acquisition; currently, the DEP's Office of Greenways and Trails has that responsibility. However, the Division of State Lands is required to oversee the acquisition of each project, and title to these lands vests in the trustees.

So far, the state has funded the issuance of six P2000 bond series, for a total of \$1.8 billion, less closing and other administrative costs. A seventh series will be issued later this spring. Through February 28, 1997, the state and the water management districts (WMDs) have acquired 819,926 acres, at a cost of \$1.34 billion in P2000 bond proceeds. About \$407 million remains unspent from the first six bond issues, but more than half of that is encumbered or otherwise obligated for future acquisitions.

With the acquisition of more than 800,000 acres of land over a period of six years has come problems with managing all that acreage. Management of conservation, preservation and certain recreational lands owned by the state is financed by the CARL Trust Fund, which receives documentary stamp tax revenues and \$10 million annually from the phosphate severance tax. The CARL Trust Fund receives between \$45 million and \$51 million a year, and some of that money is used to acquire lands that don't meet the P2000 criteria and to pay for the operations of the Division of State Lands. Land management funding from the CARL Trust Fund is tied to 1 percent of all bond proceeds ever deposited into the Preservation 2000 (P2000) Trust Fund. Since six series of P2000 bonds have been sold, roughly \$1.8 billion has been deposited in the P2000 Trust Fund. Approximately \$18 million of CARL Trust Fund dollars was made available in fiscal year 1996-1997 for land management.

The WMDs primarily pay for land management out of the Water Management Lands Trust Fund. The five districts spent a total of \$8.12 million in fiscal year 1994-1995 for land management; \$5.13 million of that was documentary stamp tax revenue; \$1.49 million was from lease fees and related revenue; and \$1.5 million was ad valorem tax revenue.

A number of reports written over the last five years have concluded that funding land management activities has been deferred in favor of land acquisition, because of the perception that environmentally sensitive lands must be acquired now before they are irretrievably lost to development. The reports also concluded that ignoring land management increases the risk of losing unique and irreplaceable natural resources, not only to development but to displacement by invasive, non-native species.

Also, there is continuing criticism of land managing agencies which either have not completed a management plan, or which are behind on updating the plans they do have every five years. Further concerns have been raised over the perception that the state

and the water management districts are buying land, and either not managing it, or managing it for a single purpose. Some legislators have contended for years that more public lands should be managed for multiple uses -- some mix of conservation, recreation and revenue-generating activities such as timber harvesting or pasturing, where appropriate. They also have sought to promote public-private partnerships to share in the costs of land management -- a concept called "stewardship."

Currently, state land-managing agencies are required to consider whether multiple uses and revenue-generating activities are compatible with the properties under their jurisdictions, and to address that in their management plans. The Division of Forestry and the GFC for many years have derived revenues from their lands -- timbering sales in the case of Forestry, and recreational use fees for GFC. Typically, the water management districts have taken the lead in leasing lands to private entities. In fiscal year 1994-1995, four districts had signed a total of 50 leases, most of them for livestock grazing, which generated in excess of \$295,000 in revenues for the districts.

For the most part, revenue-generating activities are uncommon on the state's CARL acquisitions. One reason the state and the districts have been reluctant to explore that option is uncertainty about what is allowable under the P2000 bond covenants. DEP bond counsels have taken an extremely conservative position on allowable activities, because any activity which jeopardizes the tax-exempt status of the interest earned on P2000 bonds could result in serious consequences for Florida, such as having to immediately repay the bonds.

To address some of these issues, in 1994 the Legislature passed HB 161 (Chapter 94-240, Laws of Florida (L.O.F.)), which sought in part to emphasize accountability of land management. The bill freed up more money for land management, and emphasized more intensive planning, at an earlier stage in the process, for lands acquired by state agencies. It created the "management prospectus," which was in effect a mini-management plan for lands placed on the CARL list.

In addition, the legislatively created Water Management District Review Commission has spent the last two years researching such issues as land management. Its reports indicate that WMDs spend an average of \$9.36 an acre to manage lands which are not water conservation areas. Those conservation areas, primarily owned by the South Florida Water Management District, require minimal management dollars.

A survey of agencies which manage state-owned lands primarily for conservation purposes revealed:

- o the Division of Forestry's management cost, on the average, is \$11.71 for CARL lands and \$13.65 an acre for state forest lands.
- o the GFC's management cost, on the average, is 43 cents an acre for its lands and \$5.65 an acre for CARL lands.
- o the DEP's Division of Marine Resources spends, on the average, \$10.81 an acre to manage aquatic preserves.

An 1996 interim research project by the House Natural Resources Committee on land management issues found that many of the state land-managing agencies were not

complying with statutory guidelines and deadlines for management plans; that some agencies have incorporated multiple-use management strategies into their overall management activities, but that it is difficult to measure and track those activities; and that there is a lack of data on long-term managing funding needs.

B. EFFECT OF PROPOSED CHANGES:

HB 1577 emphasizes multiple-use land management strategies for conservation, preservation and recreational lands. Specifically:

- ▶ All lands acquired by the state would be managed under a multiple-use strategy, emphasizing public access, resource conservation and protection, ecosystem maintenance and protection, and protection of endangered or threatened species, and optimizing economic returns where consistent with the above strategies.
- ▶ Unless there is a compelling reason to manage for single-use, all lands acquired by the state would be managed under a multiple-use strategy.
- ▶ “Single-use” is re-defined to mean management for one specific purpose to the exclusion of all other uses, and cites as examples lands with unique resources that would be destroyed if managed under multiple-use; an area of intense public use; improved sites; prisons and other institutional uses; archeological sites; and submerged lands.
- ▶ For lands acquired by the state in less-than-fee, the Board of Trustees of the Internal Trust Fund shall consider contracting with a soil and water conservation district board to manage or monitor those acquisitions that are or will be used for agriculture.
- ▶ Increases by 50 percent the amount of CARL Trust Fund dollars available each year for managing state-owned lands. Specifically, an amount equal to 1.5 percent (rather than the current 1 percent) of the cumulative total of funds ever deposited in the P2000 Trust Fund would be set aside in the CARL Trust Fund for land management. When the seventh series of P2000 bonds are sold later this spring, an approximate total of \$2.1 billion will have been deposited in the P2000 Trust Fund. Under HB 1577, \$31.5 million would have to be made available in the CARL Trust Fund for management.
- ▶ The categories of management needs on which the agencies base their management funding requests are renamed and restructured. The new categories would be: preserves, which are areas with unique natural features that would be destroyed if management under a multiple-use strategy; high-intensity use, which are areas that have historic or archeological significance, or are designed for intense public use; and multiple-use, which are all other types of lands.
- ▶ “Management needs category teams” would be created to evaluate and determine management needs of lands acquired by the state. Sitting on each team would be the director of the Department of Agriculture and Consumer

Services' Division of Forestry; the director of the Department of Environmental Protection's (DEP's) Division of Recreation and Parks; the executive director of the Florida Game and Fresh Water Fish Commission; a private land manager; and the chairperson of the county commission in the county most affected by a land acquisition project. The agency which is assigned the lead management responsibilities for the land acquired would be able to request that the team re-evaluate its decision, based on a change in public usage or an increased impact, or threat to, an endangered species or other natural resource.

- ▶ The WMDs also would have to manage their lands under multiple-use strategies, and enter into agreements with state agencies who have expertise WMD staff do not in order to accomplish multiple-use goals.

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?

No.

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

Yes. HB 1577 would foster intergovernmental cooperation to achieve multiple-use land management strategies.

(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?

Not applicable.

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

Not applicable.

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

Not applicable.

2. Lower Taxes:

Not applicable.

3. Personal Responsibility:

Not applicable.

4. Individual Freedom:

Not applicable.

5. Family Empowerment:

Not applicable.

D. SECTION-BY-SECTION RESEARCH:

Section 1: Amends s. 253.034, F.S., to express legislative intent that all state-owned lands should be managed under a stewardship ethic that ensures the resources will be available for the benefit and enjoyment of all Floridians. Specifies that all lands who title vests in the Board of Trustees of the Internal Improvement Trust Fund (Board of Trustees) shall be managed for multiple use, unless there is a compelling reason to manage the lands for single-purpose use. Provides that all multiple-use managed lands shall emphasize public access and enjoyment, resource conservation and protection, ecosystem maintenance and protection, and protection of threatened and endangered species. Promotes optimizing the economic benefits of multiple-use management strategies of state-owned lands. Redefines "single use."

Section 2: Amends s. 253.7825, F.S., to correct a cross-reference.

Section 3: Amends s. 259.032, F.S., to direct the Board of Trustees to consider having a Chapter 528, F.S., soil and water conservation district manage and monitor those less-than-fee interests in land that is or will be used for agricultural purposes. Expresses legislative intent that lands acquired under Chapter 259, F.S., be managed using a stewardship ethic that ensures the resources will be available for the benefit and enjoyment of all Floridians. Specifies that all lands who title vests in the Board of Trustees shall be managed for multiple use, unless there is a compelling reason to manage the lands for single-purpose use. Provides that all multiple-use managed lands shall emphasize public access and enjoyment, resource conservation and protection, ecosystem maintenance and protection, and protection of threatened and endangered

species. Promotes optimizing the economic benefits of multiple-use management strategies of state-owned lands. Increases land-management funding from 1 percent to 1.5 percent of the cumulative total of funds ever deposited in the Florida Preservation 2000 Trust Fund. Replaces existing categories of land management needs with three new ones -- "preserve," "high-intensity use," and "multiple use" -- which the land-managing agencies will use in developing their funding requests. Creates a "land management needs category team," consisting of the director of the Division of Forestry, the director of the Division of Recreation and Parks, and the executive director of the Florida Game and Fresh Water Fish Commission, or their designees; one large, private land manager, mutually agreeable to the state agency representatives; and the chair of the county commission from the county most impacted by the land acquisition pursuant to this chapter (or designee). Specifies that this team shall determine the categories of land-management needs within each acquisition. Provides for rotation of chairmanship. Provides for recommendations of land-management needs by the managing agency, and specifies that the team will consider these recommendations in making its determinations. Provides for review.

Section 4: Amends s. 373.139, F.S., to provide that lands acquired by the WMDs shall receive multiple-use management and be open to the general public unless shown to be detrimental to the water protection function for which the lands were purchased. Directs WMD governing boards to consult with DEP's Division of Recreation and Parks, the Division of Forestry within the Department of Agriculture and Consumer Services, and the Florida Game and Fresh Water Fish Commission when developing multiple-use strategies for WMD lands. Specifies that WMDs may enter into memoranda of agreement with such agencies to achieve multiple-use management.

Section 5: Provides this act shall take effect upon becoming a law.

III. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

None.

2. Recurring Effects:

Indeterminate. At least an additional \$10 million would be available annually for state land-managing agencies from the CARL Trust Fund. While beneficial for land managers, that means fewer dollars will be available for acquiring lands that don't meet some of the strict environmental criteria of the P2000 program.

Another element of HB 1577 likely will result in a net gain of dollars. If state agencies responsible for managing public lands are able to derive more economic returns from revenue-generating activities, where appropriate, as part of multiple-use management strategies, that means more funds will be available for improved management.

3. Long Run Effects Other Than Normal Growth:

Indeterminate.

4. Total Revenues and Expenditures:

See A.2.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

None.

2. Recurring Effects:

As mentioned in A.2. above, the impact is indeterminate, but likely positive. WMDs may be able to defray land management costs through implementation of revenue-generating activities, where appropriate, as part of their multiple-use management strategies.

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:

HB 1577's emphasis on multiple-use management of publicly-owned conservation lands could include, where appropriate, contracts with private entities for management assistance or participation in revenue-generating activities.

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

Indeterminate.

D. FISCAL COMMENTS:

HB 1577 does not specifically address whether the local soil and water conservation districts would be compensated by the state and WMDs for managing or monitoring agricultural activities on lands where the governmental entities hold certain less-than-fee interests. Presumably the soil and water conservation districts would not perform that task for free, and so an indeterminate amount from the CARL and Water Management Lands trust funds likely would be needed to pay them.

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

A. APPLICABILITY OF THE MANDATES PROVISION:

The mandates provision is not applicable to a review of HB 1577 because the bill does not require counties or municipalities to spend funds, or to take actions requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

Not applicable.

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

Not applicable.

V. COMMENTS:

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

VII. SIGNATURES:

COMMITTEE ON WATER & RESOURCE MANAGEMENT:

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