

STORAGE NAME: h1689.ted

DATE: April 3, 1997

**HOUSE OF REPRESENTATIVES
AS REVISED BY THE COMMITTEE ON
TRANSPORTATION & ECONOMIC DEVELOPMENT APPROPRIATIONS
BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

BILL #: HB 1689 (PCB TU 97-05)

RELATING TO: Historic Preservation Boards

SPONSOR(S): Committee on Tourism, Representative Barreiro and others

STATUTE(S) AFFECTED: Chapter 266 and s. 267.061, Florida Statutes

COMPANION BILL(S): SB 1160 (s)

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

- (1) TOURISM YEAS 8 NAYS 0
- (2) TRANSPORTATION & ECON. DEV. APPROPRIATIONS
- (3)
- (4)
- (5)

I. SUMMARY:

Parts II, IV, V, VI, and VIII of Chapter 266, F.S., relating to historic preservation boards are repealed. Specifically, the boards located in St. Augustine, Tallahassee, the Florida Keys, Palm Beach County, and Broward County are eliminated. Of those, the Broward County board has not been operational for several years. Part VII also is repealed, eliminating the Historic Tampa-Hillsborough County Preservation Board; however, the section creating the Barrio Latino Commission has a later repeal date of December 31, 1997. The extended repeal date allows sufficient time for the enactment of local ordinances continuing the Commission's existence.

The Division of Historical Resources of the Department of State is required to establish regional offices in the areas of St. Augustine, Tampa, Palm Beach County and any other area deemed appropriate to assist in the delivery of historic preservation services. The Department of State is to contract with the City of St. Augustine to manage the state-owned properties currently managed by the Historic St. Augustine Preservation Board. Disposition of property management proceeds and certain trust fund dollars and ownership transfer of tangible personal property relating to the City are delineated. For each regional office, provision is made for the establishment of a citizen support organization and for the appointment of its board of directors by the Secretary of State. Finally, the department is required to contract with not-for-profit corporations to continue the work performed by the Historic Tallahassee and Historic Florida Keys Preservation Boards. Proceeds derived from the management of state-owned properties currently managed by the boards in Tallahassee and the Florida Keys are to be used by the not-for-profit corporations for maintenance of the properties and for historic preservation in their respective areas. The balances in the operating trust funds of the Tallahassee and Florida Keys Boards may be transferred to the respective not-for-profit corporations for their use.

A directive is provided for the inclusion of language in the General Appropriations Act for FY 1997-98 to ensure sufficient funding for the transition of management for those affected state-owned properties in Tallahassee, the Florida Keys, and St. Augustine.

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The Department of State estimates a cost savings of approximately \$1.8 million in FY 1997-98 and a cost savings of approximately \$2.5 million annually thereafter.

II. SUBSTANTIVE RESEARCHS:

A. PRESENT SITUATION:

A Brief History

Eight historic preservation boards were established by law in Chapter 266, F.S., between the period of 1959 and 1977. The boards were created for St. Augustine, Pensacola, Tallahassee, the Florida Keys, Palm Beach County, Tampa-Hillsborough County, Broward County, and Volusia and Flagler Counties. The members of the Boards of Trustees were appointed by the Governor. The function and statutory purposes of the boards were essentially the same including the power to acquire and dispose of real property and establish direct support organizations. The Legislature performed the required sundown review of the eight historic preservation boards established in Chapter 266, F.S., during the 1989-90 interim and found that the boards operated as quasi-independent agencies with little accountability to the state. Subsequently, legislation was introduced that reenacted seven of the eight boards and required them to fall administratively under the Department of State to make them more accountable; however, the legislation did not pass and the eight boards repealed on October 1, 1990.

During the 1991 Legislative Session, CS/SB 162 passed the Legislature, reinstating seven of the eight historic preservation boards and placing them under the supervision of the Division of Historical Resources in the Department of State. Additionally, general provisions for all historic preservation boards regarding the acquisition and disposal of real property were enacted. The bill did not reinstate the Historic Volusia County and Flagler County Preservation Board.

The Historic Broward County Preservation Board has not been operational for several years.

Historic Preservation Boards Today

The boards were created to assist the state in promoting and protecting Florida's historic and archaeological sites and properties. Each historic preservation board employs a manager and staff to perform preservation services. Additionally, each board is authorized to create a direct support organization to assist in raising money, receiving grants and administering property. The boards are placed under the administrative supervision of the Department of State; however, the members of the boards are appointed by the Governor. In FY 1996-97, the Legislature appropriated approximately \$4 million for the six historic preservation boards.

In its report No. 96-42, *Review of the Historic Preservation Boards*, dated January 28, 1997, the Office of Program Policy Analysis and Government Accountability (OPPAGA) noted that while the purposes of the Boards are the same, the services they provide depend upon various factors such as the number of state-owned properties managed, board staffing, and services available in the community. For example, the number of state-owned properties found in the St. Augustine area require property management services while the Palm Beach County Board, having no state-owned properties, concentrates on providing technical services to the local area governments. One issue each board reported was the lack of authority to provide services outside its county.

Additionally, the OPPAGA review states that the boards are not sufficiently accountable for program results and outcomes. The report identified differing structural designs for the Boards and evaluated them based on three criteria: cost reduction (minimizing state cost), service provision (extent available to local entities), and potential for improved accountability. Two alternatives were identified as meeting these criteria best: redesigning the boards as public-private partnerships and eliminating boards and replacing them with Department of State regional offices.

Historic St. Augustine Preservation Board - This board currently employs approximately 25 staff. Preservation services include educational services, research, technical assistance to local governments and property management. The Board manages 33 state-owned properties in the area; however, 14 of the properties are currently under lease to various for-profit and not-for-profit groups. The remaining properties include interpretive properties, such as museums, and support properties such as those buildings used for administration. In FY 1996-97, the Department of State provided \$1.4 million in combined general revenue and trust fund dollars to the Historic St. Augustine Preservation Board.

Historic Tallahassee Preservation Board - This board currently employs five staff who provide preservation services and technical assistance to the local government. Additionally, they manage two state-owned historic properties. In FY 1996-97, the Department of State provided \$392,958 in general revenue and trust fund dollars to the Historic Tallahassee Preservation Board.

Historic Palm Beach County Preservation Board - This board currently employs two staff who provide technical assistance to four municipalities within the county. The Board does not manage any state-owned properties. In FY 1996-97, the Department of State provided \$121,825 in combined general revenue and trust fund dollars to the Historic Palm Beach County Preservation Board.

Historic Tampa-Hillsborough County Preservation Board - This board currently employs six staff who provide preservation services and technical assistance to the local government and other preservation entities. The Board manages six state-owned properties in the historic Ybor City district. Two of the properties are used administratively and four of the properties are currently under lease to the Department of Environmental Protection, Division of Recreation and Parks. In FY 1996-97, the Department of State provided \$624,585 in combined general revenue and trust fund dollars to the Historic Tampa-Hillsborough Preservation Board.

Historic Florida Keys Preservation Board - This board currently employs two staff who provide technical assistance to the local government and manage four state-owned properties. Two of the historic properties are currently under lease to not-for-profit and for-profit groups. In FY 1996-97, the Department of State provided \$402,967 in combined general revenue and trust fund dollars to the Historic Florida Keys Preservation Board.

Historic Pensacola Preservation Board - This board currently employs 14 staff. The board focuses on museum development and the management of 22 state-owned properties. In FY 1996-97, the Department of State provided \$1,134,807 in combined general revenue and trust fund dollars to the Historic Pensacola Preservation Board.

B. EFFECT OF PROPOSED CHANGES:

The Historic Preservation Boards in St. Augustine, Tallahassee, Palm Beach County, Tampa-Hillsborough, the Florida Keys and Broward County along with their direct support organizations are repealed. The Historic Broward County Preservation Board has not been operational for several years; therefore, there is no effect on this board. The Division of Historical Resources in the Department of State will establish regional offices with expanded jurisdictions in which to provide historic preservation services for St. Augustine, Palm Beach County, Tampa-Hillsborough County and will have authority to establish regional offices in any other area deemed appropriate. The Department of State is authorized to create citizen support organizations in order to involve local advocates for historic preservation to help deliver preservation services in the expanded areas and to provide more accountability in their areas. The Secretary of the Department of State is to appoint the board of directors for each citizen support organization.

The Department of State must contract with the City of St. Augustine to manage the state-owned properties currently managed by the Historic St. Augustine Preservation Board. The proceeds from the management of those properties is to be used by the City for the maintenance of the state-owned buildings and advancing historic preservation in the City. Also, remaining funds in the Historic St. Augustine Preservation Board Operating Trust Fund may be appropriated to the City. With regard to the City of St. Augustine, the Department of State may transfer ownership of any tangible property to the City to assist in the City's transition or management of the state-owned properties.

The Department is to contract with not-for-profit corporations to continue historic preservation services in the Tallahassee and Florida Keys areas including managing state-owned properties that are currently managed by their respective boards. The bill provides that the proceeds derived from the management of these properties are to be used for the maintenance of those properties and the advancement of historic preservation.

A directive is provided for the inclusion of language in the General Appropriations Act for FY 1997-98 to ensure sufficient funding for the transition of management for those affected state-owned properties in Tallahassee, the Florida Keys, and St. Augustine.

Section 266.00572, F.S., (Part VII) relating to the Ybor City architectural review board, the Barrio Latino Commission, is repealed on December 31, 1997. The extended repeal date for this section is to allow the local government sufficient time to enact ordinances continuing the existence of the Commission.

Part III of Chapter 266, F.S., establishing the Historic Pensacola Preservation Board is renumbered to Part II; otherwise, the Historic Pensacola Preservation Board is not changed by the bill.

House Bill 1689 provides an effective date of upon becoming law.

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?

The Department of State, through its newly created regional offices would continue historic preservation activities such as: providing technical assistance to citizens and local governments in monitoring grants and making grant applications; promoting historic preservation programs of the Department; and, providing assistance with other federal and state historic preservation programs. Although these responsibilities are not new to the Department of State, providing these services to larger areas is new.

The not-for-profit corporations that contract with the Department of State to perform preservation services in the Florida Keys and Tallahassee areas will incur new responsibilities and work; however, it would be by choice that any such corporation would contract with the Department.

The Department is required to contract with the City of St. Augustine for the property management of the state-owned properties in that area. According to the City Manager, the City is anticipating the new responsibility of managing the state-owned property and the Mayor of the City has appointed an advisory committee to make recommendations for the City to follow in that regard.

(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?

(a) Eliminating the Historic Tallahassee Preservation Board and authorizing the Department to contract with a not-for-profit corporation delegates, via contract, the responsibilities of providing technical assistance for historic

preservation to local governments and managing two state-owned properties in the area to the not-for-profit corporation.

(b) Eliminating the Florida Keys Board and authorizing the Department to contract with a not-for-profit corporation delegates, via contract, the responsibilities of providing technical assistance for preservation to local governments and managing four state-owned properties to the not-for-profit corporation.

(c) The City of St. Augustine will have the responsibility of managing the state-owned properties in that area.

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

Indeterminate. The City is anticipating taking over these responsibilities through the creation of a new Office of Historic Preservation. The balance of the Historic St. Augustine Preservation Board's Operating Trust Fund may be transferred to the City for its use by the Department of State in addition to the ownership of any tangible personal property.

(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?

N/A.

4. Individual Freedom:

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

N/A.

- 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?

No.

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. SECTION-BY-SECTION RESEARCH:

Section 1 - Part II of Chapter 266, F.S., is repealed eliminating the Historic St. Augustine Preservation Board and its direct support organization.

Section 2 - Part IV of Chapter 266, F.S., is repealed eliminating the Historic Tallahassee Preservation Board and its direct support organization.

Section 3 - Part V of Chapter 266, F.S., is repealed eliminating the Historic Florida Keys Preservation Board and its direct support organization.

Section 4 - Part VI of Chapter 266, F.S., is repealed eliminating the Historic Palm Beach County Preservation Board and its direct support organization.

Section 5 - Part VII of Chapter 266, F.S., is repealed eliminating the Historic Tampa-Hillsborough County Preservation Board, except that s. 266.00572, creating the Ybor City Historic District's architectural review board, the Barrio Latino Commission, is repealed December 31, 1997 in order to allow sufficient time for the enactment of local ordinances to continue the Commission's existence.

Section 6 - Part VIII of Chapter 266, F.S., is repealed eliminating the Historic Broward County Preservation Board and its direct support organization.

Section 7 - Part III of Chapter 266, F.S., is redesignated as Part II; otherwise, the Historic Pensacola Preservation Board remains unaffected by the bill.

Section 8 - Amends s. 267.061(3), F.S., allowing the Department of State, Division of Historical Resources to establish regional offices specifically in the areas of St. Augustine, Tampa and Palm Beach County and in other areas deemed appropriate. Additionally, the division is directed to establish citizen support organizations for each regional office.

Section 9 - Specifically provides that s. 266.00572, F.S., repeals on December 31, 1997, allowing for a sufficient period of time for the enactment of local ordinances which will continue the existence of the Barrio Latino Commission created in Part VII of Chapter 266, F.S.

Section 10 - Provides that the Department of State shall contract with the City of St. Augustine for management of state-owned properties in that area that are currently being managed by the Historic St. Augustine Preservation Board. It provides that the Department may transfer ownership of tangible personal property and may transfer the balance of the Historic St. Augustine Preservation Board's Operating Trust Fund to the City to assist in the City's maintenance and management of the properties and the advancement of historic preservation in St. Augustine.

Section 11 - Provides that the Department of State shall contract with not-for-profit corporations to continue the historic preservation work performed by the Tallahassee and Florida Keys Historic Preservation Boards. Additionally, it states that such contracts shall provide that the not-for-profit corporations are to use the proceeds derived from the management of state-owned properties for maintenance of the properties and to further historic preservation efforts in their areas. It allows the Department of State to appropriate all remaining funds in the Historic Florida Keys Preservation Board Trust Fund and the Historic Tallahassee Preservation Board Trust Fund to the respective not-for-profit corporations for their use.

Section 12 - Provides that language shall be included in the 1997-98 General Appropriations Act ensuring funding for the Department of State to complete the management transition of state-owned properties to the not-for-profit corporations contracted with in the Tallahassee and Florida Keys Areas, and to ensure sufficient funding in the management transition of state-owned property to the City of St. Augustine.

Section 13 - Provides an effective date of upon becoming law.

III. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

N/A.

2. Recurring Effects:

The Department of State estimates a cost savings of approximately \$1.8 million in FY 1997-98 and a cost savings of approximately \$2.5 million annually thereafter.

3. Long Run Effects Other Than Normal Growth:

None.

4. Total Revenues and Expenditures:

In FY 1996-97, a total of \$4,093,481 combined general revenue dollars was appropriated for the six preservation boards. If this bill becomes law, the Department of State estimates that expenditures for FY 1997-98 will be approximately \$2.9 million, a projected savings of \$1.8 million. Furthermore, in FY 1998-99, the Department estimates expenditures to be approximately \$1.6 million, a recurring annual savings of approximately \$2.5 million.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

Indeterminate.

2. Recurring Effects:

House Bill 1689 provides that all proceeds received from the management of state-owned properties may be used by the City of St. Augustine for the maintenance and continued efforts of historic preservation. Additionally, the balance of the Historic St. Augustine Preservation Board's Operating Trust Fund along with the ownership of tangible personal property may be transferred to the City for its use.

3. Long Run Effects Other Than Normal Growth:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

The not-for-profit corporations interested in contracting with the Department of State to provide preservation services in the Tallahassee and Florida Keys areas could incur minimal indeterminate expenses for start-up costs.

2. Direct Private Sector Benefits:

House Bill 1689 provides that all proceeds received from the management of state-owned properties may be used by the not-for-profit corporation for the purpose of historic preservation.

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

Indeterminate.

D. FISCAL COMMENTS:

The Department of State projects approximately \$2.5 million annually in cost savings under this proposed structure of providing historic preservation services.

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

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to expend funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority of counties and municipalities to raise revenue.

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

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

V. COMMENTS:

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

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VII. SIGNATURES:

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