

STORAGE NAME: h3863a.ca

DATE: March 31, 1998

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
COMMUNITY AFFAIRS
BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

BILL #: HB 3863

RELATING TO: Coastal Zone Protection Act

SPONSOR(S): Representative Argenziano and others

COMPANION BILL(S): SB 1404 (s)

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

- (1) COMMUNITY AFFAIRS YEAS 8 NAYS 0
 - (2) REAL PROPERTY & PROBATE
 - (3)
 - (4)
 - (5)
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I. SUMMARY:

The bill clarifies what constitutes "nonstructural interior finishings" for the purposes of the Coastal Zone Protection Act.

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

Part III of chapter 161, F.S., is the Coastal Zone Protection Act. The act provides for the management of the most sensitive portions of the state's coastal area through imposing strict construction standards. Section 161.55, F.S., imposes minimum construction standards in Florida's coastal building zone. These standards are specified in s. 161.55, F.S., and are designed to minimize damage to life, private property, and the natural environment.

Section 161.54, F.S., defines "construction" as the carrying out of any building, clearing, filing, excavation, or **substantial improvement** in the size or use of any structure or the appearance of any land. [Emphasis added]. The same section defines "substantial improvement" as:

[A]ny repair, reconstruction, rehabilitation, or improvement of a structure, where the actual cost of the improvement or repair of the structure to its pre-damage condition equals or exceeds, over a 5-year period, a cumulative total of 50 percent of the market value of the structure either:

- (a) Before the improvement or repair is started; or
- (b) If the structure has been damaged and is being restored, before the damage occurred.

The cumulative cost does not include **nonstructural interior finishings** or roof coverings except when determining whether the structure has been substantially improved as a result of a single improvement or repair. [Emphasis added].

The 1997 Florida Legislature amended s. 161.54, F.S., to specifically exclude the cost of nonstructural interior finishings and roof coverings from cumulative substantial improvement determinations. As a result of this revision, the Department of Community Affairs (DCA) states that they have received daily calls for clarifications of the provision.

On September 10-11, 1997, DCA conducted a workshop in Pinellas County to discuss developing technical assistance guidance materials for implementing the provision. Workshop participants included representatives from various coastal local governments with experience in implementing part III of chapter 161, F.S., the Building Officials Association of Florida, the Florida Homebuilders Association, the Florida Department of Environmental Protection, DCA, the Federal Emergency Management Association, local citizens, and related construction trade groups. The change recommended in this bill is an outcome of this workgroup.

B. EFFECT OF PROPOSED CHANGES:

This bill clarifies the definition of the term "substantial improvement" to specify what constitutes "nonstructural interior finishings."

- ◆ Finish flooring and floor coverings;
- ◆ Base molding;
- ◆ Nonstructural substrates;

- ◆ Drywall, plaster, paneling, and wall covering;

- ◆ Tapestries;
- ◆ Window treatments;
- ◆ Decorative masonry and paint;
- ◆ Interior doors;
- ◆ Tile;
- ◆ Cabinets, molding and millwork;
- ◆ Decorative metal work and vanities;
- ◆ Electrical receptacle, electrical switches, electrical fixtures, intercoms, and communications and sound systems;
- ◆ Security systems;
- ◆ HVAC grills and decorative trim, and freestanding metal fireplaces;
- ◆ Appliances; and
- ◆ Water closets, tubs and shower enclosures, lavatories, and water heaters.

The effect of this clarification, is the costs relating to these items will not be included in the cumulative cost determination.

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?

N/A

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

N/A

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

N/A

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?

N/A

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

N/A

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

N/A

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

N/A

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

N/A

3. Personal Responsibility:

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

N/A

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?

N/A

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:

Section 161.54, F.S., is affected.

E. SECTION-BY-SECTION RESEARCH:

Section 1 -- Amends s. 161.54, F.S., provides a non-exhaustive list of items that constitutes nonstructural interior finishings.

Section 2 -- Provides that 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:

None.

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.

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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:

Clarification of the term “nonstructural interior finishing” may make it easier for local governments to implement the law. Consequently, appropriate property owners can accurately determine their cumulative costs under the “substantial improvement” provision.

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

None.

D. FISCAL COMMENTS:

None.

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

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require cities or counties to spend money or take action that requires expenditure of money.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce revenue raising authority.

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

This bill does not reduce the state tax shared with cities and counties.

V. COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

None.

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VII. SIGNATURES:

COMMITTEE ON COMMUNITY AFFAIRS:

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