

STORAGE NAME: h4551.ep
DATE: April 2, 1998

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

BILL #: HB 4551
RELATING TO: The Florida 2020 Program
SPONSOR(S): Representatives Safley, Constantine, Pruitt, Sembler, Saunders, Carlton, Eggelletion, Chestnut and Warner

COMPANION BILL(S): HB 4553 (c), HB 4555 (c) and HB 4557 (c)

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

- (1) ENVIRONMENTAL PROTECTION
- (2)
- (3)
- (4)
- (5)

I. SUMMARY:

HB 4551 creates the Florida 2020 program, a comprehensive \$6 billion, 20-year comprehensive state program to finance land and water restoration, acquisition and capital improvement projects. Reserved for restoration, acquisition and capital improvements to lands and water bodies for conservation, preservation and recreational purposes is \$4 billion. The remaining \$2 billion will be equally shared by the State University System and the Florida Community College System for land acquisition, facilities construction and development of telecommunications infrastructure to promote long-distance learning.

Florida 2020 will be financed with bonds, to be repaid with state documentary stamp tax revenues.

The environmental/recreational aspect of the Florida 2020 program reflects a shift from Florida's current bonded land acquisition program, Preservation 2000. While acquisition of lands for conservation, preservation and recreational purposes will be an important component of Florida 2020, restoration of lands and waterbodies, using such existing programs as the Surface Water Improvement and Management (SWIM) program, will be emphasized.

Also different from previous state-funded land acquisition programs is the proposed assignment of Florida 2020 monies to project categories -- such as land and waterbody restoration -- rather than to specific agencies. The Legislature would set the funding percentages by July 1, 2000, upon review of recommendations of the Florida 2020 Study Commission.

Additionally, HB 4551 introduces a competitive selection process by a new, nine-member Land Acquisition and Management Commission that will select and rank proposed projects on the basis of certain criteria. Public agencies, private entities and even individuals can sponsor projects and apply for Florida 2020 funds. The title to any lands acquired, however, will be vested in either the Board of Trustees of the Internal Improvement Trust Fund, the water management district governing boards, or a local government. The project list compiled by the new commission is envisioned as five-year work plan, to be re-evaluated annually. As with the current Conservation and Recreation Lands (CARL) list, the Board of Trustees will have the authority to approve or reject individual projects on the Florida 2020 list, but can not modify the list.

HB 4551 also stresses the importance of managing the lands or waterbody areas that are restored or acquired with Florida 2020 funds. As with the Preservation 2000 lands, an amount of documentary stamp tax revenues equal to 1.5 percent of all the bond proceeds ever deposited in the Florida 2020 Trust Fund will be deposited in the CARL Trust Fund for general management purposes. The bill also specifies that capital improvements to lands and waterbody areas, such as restroom facilities and other amenities that improve or promote public access, can be funded with the Florida 2020 bond proceeds. This discussion of improved management and public access to land and waterbody areas acquired or restored with Florida 2020 funds segues into another key component of the new program: a renewed emphasis on outdoor recreational opportunities, particularly in urban areas.

HB 4551 is packaged with three other bills that establish the Florida 2020 Trust Fund, ask Florida voters to amend the state constitution to create bonding authority for the new program, and place this proposed constitutional amendment on the September 1, 1998, primary ballot.

HB 4551 would take effect contingent on voter approval of the amendment creating new constitutional bonding authority.

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

Status of public land acquisition programs in Florida

Florida began acquiring lands for public use in the 1920s, but had no formal land-buying program until the 1960's. The Legislature established a \$20 million bond program to acquire lands for outdoor recreation in 1964, followed four years later by an additional \$40 million bond program to acquire more outdoor recreational lands. In 1972, the Legislature, at the urging of then-Governor Ruben Askew, created the Environmentally Endangered Lands (EEL) program. A state referendum later that year approved a \$240 million bond issue, most of which was earmarked to acquire environmentally sensitive lands.

Subsequent land-buying programs relied on either bond issues or earmarked general revenues. The Conservation and Recreation Lands (CARL) Program was created by the Legislature in 1979 to acquire and manage public lands. Documentary stamp tax revenues, a \$10 million annual transfer and lease fees remain the primary sources of funds for the CARL program, which in recent years receives between \$45 million and \$55 million.

In 1981, the Legislature created two additional land-acquisition programs. The Save Our Coast program, funded with \$250 million in bond proceeds, acquired beachfront properties to protect them from development; this program has expired and its bonds paid off. Acquiring buffer areas along surface water bodies was the original purpose of the Save Our Rivers (SOR) program, created expressly for the five water management districts (WMDs), but over the years the program has been expanded to include all types of land acquired by the WMDs. The original source of funding for the SOR program -- state documentary stamp tax revenues -- continues to contribute \$50 million to \$55 million a year to the WMDs.

The funding levels of the early programs, although significant for their time, pale in comparison to the Florida Preservation 2000 (P2000) program. Conceived in 1990 by then-Governor Bob Martinez, P2000 is a 10-year, \$3 billion program to acquire environmentally significant lands for preservation, conservation and recreational purposes. By all accounts, it remains the largest state-funded land acquisition program in the United States. P2000, per its name, is set to expire in the year 2000, although in all likelihood the agencies which receive shares of the program's bond proceeds will be spending down the balances in their P2000 accounts for at least two years beyond the date of the last bond issuance.

As expressed in s. 259.101, F.S., the Legislature intended P2000 funds to be spent to acquire lands so as to "protect the integrity of ecological systems and to provide multiple benefits, including preservation of fish and wildlife habitat, recreation space, and water recharge areas," as well as acquire, protect and preserve open space and recreational areas in urban settings.

In the seven years of its existence, the P2000 program has provided \$2.05 billion for environmental and recreational land acquisition. As of February 28, 1998, more than

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\$1.55 billion of the available funds has been spent to acquire 978,712 acres. About one-third of the \$498 million balance of unspent P2000 funds is considered encumbered, or earmarked for project acquisitions that have yet to close.

The agencies listed in s. 259.101, F.S., to receive a share of the P2000 funds are: the Department of Environmental Protection's (DEP's) Division of State Lands, Division of Recreation and Parks, and Office of Greenways and Trails; the Department of Agriculture and Consumer Services' Division of Forestry; the Florida Game and Fresh Water Fish Commission (GFC); the five water management districts (WMDs); and the Department of Community Affairs' Florida Communities Trust (FCT).

The allocations break down this way:

- 0 DEP's Division of State Lands received 50 percent of the annual bond proceeds, or about \$134 million (after bonding expenses), to acquire properties through the Conservation and Recreation Lands (CARL) program;
- 0 the WMDs share 30 percent of the annual proceeds, or about \$81 million, to acquire lands through the Save Our Rivers (SOR) program;
- 0 FCT gets 10 percent, or nearly \$27 million, to distribute to local governments for urban conservation or recreational land acquisition;
- 0 the Division of Recreation and Parks, Division of Forestry and GFC each receive 2.9 percent, or about \$7.7 million, to purchase inholdings and additions to their existing properties; and
- 0 Greenways and Trails receives 1.3 percent, or about \$3.5 million annually, to acquire abandoned railroad rights of way and other linear properties suitable for use as trails or corridors.

At various times over the years, the Legislature has diverted portions of FCT's \$30 million annual share of P2000 funding to the Florida Recreation Development Assistance Program (FRDAP), the Green Swamp Land Authority and the Monroe County Comprehensive Planning Land Authority.

During the 1997 legislative session, various members initiated discussion with the agencies and environmental advocates on how to best begin the process of winding down the P2000 program. Chapter 97-164, Laws of Florida (CS/CS/HBs 1119 and 1577 by Reps. Minton and Sembler), established guidelines by which DEP and the WMDs were to evaluate the accomplishments of the P2000 program, and to draft a report making recommendations on how to close out the program so that it would meet its goals. The "Florida Preservation 2000 Program Remaining Needs and Priorities" report was published in November 1997, and proved to be a disappointment to the bill sponsors and other legislators, who had expected recommendations more in line with their explicit instructions. Instead, the report focused more on explaining what P2000 has accomplished, rather than how to wind down the program. The number one recommendation of the report was to create a successor program, to be operated much as P2000 is now. A subsequent addendum to the report, published in December 1997, better identified which properties on current acquisition lists have the highest resource

or historical values, would protect the habitat of endangered or threatened species, or protect water recharge areas.

More than 900,000 acres of land have been acquired with P2000 funds.

Land management issues

Besides concerns with public land acquisition, legislators have raised concerns over whether the lands already under public ownership are being properly managed; whether there are enough outdoor recreational opportunities, especially in the urban areas of Florida; and whether the state should shift its environmental focus to restoring lands and waterbodies already in public ownership.

A number of reports written over the last six 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. The Land Acquisition and Management Advisory Council (LAMAC), pursuant to s. 253.034, F.S., reviews land management plans for all agencies that manage properties whose title vests in the Board of Trustees; final approval of the plans officially rests with the Board of Trustees. Serving on LAMAC are: the Commissioner of Agriculture; the Secretary of State; the executive director of the game commission; the secretary of DEP and a designee; and the secretary of the Department of Community Affairs.

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."

Research conducted by House staff revealed 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.

Chapter 97-164, L.O.F., directed the public land-managing agencies to consider whether multiple uses and revenue-generating activities are compatible with the properties under their jurisdictions, and to address the issue 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 federal Internal Revenue Service (IRS) Code. DEP's bond counsels generally 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. DEP's position has been to review proposals for revenue-generating activities on a case-by-case basis. For example, DEP's bond counsel concludes in a January 23, 1998, letter that a proposal to develop a wetlands mitigation bank on lands owned by the South Florida WMD and acquired with P2000 dollars would not violate IRS guidelines.

Restoration issues

Some of the state's land and waterbody management needs are expensive, long-term restoration projects. The estimated 500,000-acre infestation of melaleuca on public lands is only one example of non-native, invasive plants running amok in a state ideal for vegetation that prefers hot, humid conditions and no natural enemies. Florida also owns many acres of forest land that for decades were pine plantations, with a few pockets of long-leaf pine or old-growth native trees that managed to survive. Some state land managers are attempting to restore native plant communities on these lands -- an expensive, long-range proposition.

Numerous significant waterbodies have been degraded, as well, over the decades. Poor surface water quality adversely impacts wildlife, natural areas and, if part of an interconnected hydrogeologic system, groundwater. There are economic and quality-of-life ramifications, as well, of failing to address water-quality problems. In 1987, the Legislature enacted the Surface Water Improvement and Management (SWIM) Act, intended to address statewide surface water quality problems and other environmental issues for six regionally significant waterbodies: Lake Okeechobee, Biscayne Bay, the Indian River Lagoon system, the Tampa Bay system, Lake Apopka and the Lower St. Johns River. Over the last decade, the five WMDs have designated 73 other waterbodies as SWIM priorities. Approved SWIM action plans exist for only 29 of the designated waterbodies.

While the number of SWIM waterbodies has grown over the years, state funding has been inconsistent -- ranging from \$15 million to zero. In FY 1997-1998, SWIM received a \$6 million transfer from the Solid Waste Management Trust Fund, using dollars typically earmarked for local-government recycling grants. A report issued earlier this year by the Solid Waste Management Trust Fund Review Commission recommended that the state appropriate \$25 million to \$30 million to SWIM. But SWIM's funding level is not the only issue. A March 1998 follow-up report from the Office of Program Policy Analysis and Government Accountability (OPPAGA) on SWIM indicated that while state, federal and other participating agencies have spent more than \$265 million on SWIM waterbodies over the years, there is little data to indicate what these expenditures have accomplished. OPPAGA recommended that DEP and the WMDs develop measurable program objectives, and tie these objectives to strategies and expenditures.

B. EFFECT OF PROPOSED CHANGES:

HB 4551 would:

- o Create the 20-year, \$6 billion Florida 2020 program, to finance land and water restoration, acquisition and capital improvement projects. Approximately \$4 billion would be spent on restoration, acquisition and capital improvements to lands and water bodies for conservation, preservation and recreational purposes.

The remaining \$2 billion will be equally shared by the State University System and the Florida Community College System for land acquisition, facilities construction and development of "telecommunications infrastructure" to promote long-distance learning. The university and community college systems will develop three-year priority lists, to be submitted to the Governor and the Legislature, for inclusion in the state budget. The program is envisioned to operate in much the same way as the Public Education Capital Outlay (PECO) Program. Details of this "Florida Year 2020 Higher Education Facilities Program" will be worked out over the next two years.

- o Finance Florida 2020 with state bonds to be repaid with state documentary stamp tax revenues.
- o Develop a new competitive process to select and rank projects eligible for Florida 2020 funds. A new Land Acquisition and Management Commission would solicit proposals from state agencies, local governments, non-profit and for-profit organizations, private land trusts, and even individuals. The cost of the proposed project, its benefits to the state, and how it will be managed will be factors used by the commission to score applications for eventual selection and ranking.

All lands and waterbody areas acquired under the program shall be titled in a government agency.

- o Create a nine-member Land Acquisition and Management Commission: five members will be selected to represent the regions of the state within the water management districts. Two others will be selected at large. The final two members shall be appointed from the five following agencies: DEP, GFC, the Department of Community Affairs Florida Communities Trust; the Department of Agriculture and Consumer Services' Division of Forestry; and the Department of State's Division of Historical Resources. None shall be registered as a lobbyist.

The Governor shall appoint the members, and the state Senate shall confirm them. The members will be entitled to \$50 a day, plus per diem, and will serve four-year terms.

- o Distribute Florida 2020 funds under project categories, not to specific agencies. The six categories are:

- = restoration of lands and waterbodies.
- = acquisition of lands, including inholdings and additions, for conservation and preservation purposes.
- = acquisition of lands for water resource development, as defined in s. 373.019 (19), F.S. No Florida 2020 funds could be spent for wellfields, desalination plants or water supply activities as defined in s. 373.019(21), F.S.
- = acquisition of lands for outdoor recreational purposes, to include active and passive recreation. Additional emphasis shall be placed on acquiring greenspace and greenways for urban areas.
- = capital improvements to land or waterbody areas that improve public access, develop recreational facilities, or promote more efficient and effective management of these areas.
- = restoration and reclamation of forestry lands to enhance and ensure their continued value as ecosystems.

The Legislature would set the funding percentages by July 1, 2000, upon review of recommendations of the Florida 2020 Study Commission.

- o Compilation of a five-year work plan by the new commission, to be re-evaluated annually. As with the current Conservation and Recreation Lands (CARL) list, the Board of Trustees will have the authority to approve or reject individual projects on the Florida 2020 list, but can not modify the list.
- o Emphasize the importance of managing the lands and waterbody areas acquired under the program. An amount of documentary stamp tax revenues equal to 1.5 percent of all the bond proceeds ever deposited in the Florida 2020 Trust Fund will be deposited in the CARL Trust Fund for general management purposes.
- o Create a new surplusing process for Florida 2020 lands. For lands within the original project boundary or the core parcel, the new commission must evaluate a number of factors, such as whether the property has no or low-quality natural resource values. A less-stringent set of factors shall be used to evaluate surplusing of outparcels. The Board of Trustees shall review and approve all surplusing recommendations by the new commission. Lands to be surplusd shall be sold at fair market value, except that local governments will be able to acquire surplus lands for the price paid by the state. Additionally, local governments have the right of first refusal to acquire surplus lands.
- o Create the nine-member Florida 2020 Study Commission, a group of people with expertise in environmental, hydrological, real estate or other areas related to conservation and recreational land issues. Five members would be appointed by the Governor and three each by the Senate President and the Speaker of the House. The members could not be registered lobbyists.

The study commission shall report back to the Legislature and Governor by July 1, 1999, with recommendations on Florida 2020 priority programs, how to develop the competitive selection process, how to integrate existing restoration and acquisition programs with Florida 2020, and what existing restoration and acquisition projects should be included in the new 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?

Yes. HB 4551 would give DEP, the WMDs and other public land-buying agencies explicit authority to promulgate rules related to restoring, acquiring, improving and managing lands and water areas under the Florida 2020 program, as well as rules implementing the bill's provisions on surplusing and otherwise disposing of such lands or water areas. DEP also would have explicit authority to adopt rules related to the administration of the Florida 2020 Trust Fund. The Land Acquisition and Management Commission would be given explicit rulemaking authority related to the solicitation, scoring and ranking of Florida 2020 projects; development and re-evaluation of the five-year project list; the review and approval of project management plans; and the selection and employment of staff.

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

Yes. HB 4551 creates two new boards. The nine-member Land Acquisition and Management Commission would administer the Florida 2020 program. The temporary Florida 2020 Study Commission, comprised of 11 members, will develop recommendations for the Legislature and the Governor on what the relative priorities of Florida 2020 project categories should be; ways to implement the competitive selection process for project proposals; how to integrate existing state restoration and acquisition programs into Florida 2020; and which projects on current restoration and acquisition lists should be considered for the Florida 2020 Program.

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

No, although the current entitlement to state land acquisition funds enjoyed by DEP, the WMDs, The Florida Communities Trust, Division of Forestry, Division of Recreation and Parks, the GFC and the Office of Greenways and Trails, through the P2000 program, will not exist in the Florida 2020 program. Instead, these agencies will have to compete with local

governments, non-profit and for-profit organizations, and other entities for the \$4 billion in restoration, acquisition and capital improvement funds.

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?

The drafters of HB 4551 envision that the current Land Acquisition and Management Council (LAMAC) will cease to exist once the P2000 program concludes. Its duties will be assumed by the new Land Acquisition and Management Commission. Additionally, DEP likely would lose staff positions within its Division of State Lands, as some or all of the division's responsibilities would eventually be transferred to the new commission.

Programs such as CARL and SOR may be reduced, in the sense that they will not be guaranteed a certain amount of land acquisition funding under the Florida 2020 Program, as they currently have under P2000.

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

Indeterminate. The affected agencies which operate CARL, SOR and similar programs may not lose any funding, if they are able to successfully compete for Florida 2020 funds.

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

The new Land Acquisition and Management Commission will be a public body, subject fully to Chapters 119 and 120, F.S. The members will be appointed by the Governor and confirmed by the state Senate. The new commission itself will answer to the Board of Trustees.

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.

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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?

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:

Sections 201.15, 259.02, 259.03, 259.032, 259.04, 259.041, 259.101, 373.459, 373.59, 375.075, 380.507 and 380.510, F.S., are amended. Sections 201.155, 235.45, 259.021, 259.034, and 259.105, F.S., are created.

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E. SECTION-BY-SECTION RESEARCH:

Section 1: Amends s. 201.15, F.S., to provide for distribution of documentary stamp tax revenues to the new Florida 2020 Trust Fund.

Section 2: Creates s. 201.155, F.S., to specify that certain state taxes will be paid from the State Treasury to the Florida 2020 Trust Fund for the program's stated purposes.

Section 3: Creates s. 235.45, F.S., the "Florida Year 2020 Higher Education Facilities Program." Specifies that program shall receive \$2 billion bond proceeds from the Florida 2020 Program for acquisition of lands and related facilities, construction of classrooms and related facilities, and the development of telecommunications infrastructure.

Section 4: Amends s. 259.02, F.S., to statutorily implement the new bonding authority granted by passage of constitutional amendment creating s. 19, Art. VII, Florida Constitution. Specifies uses of bond proceeds. Deletes obsolete language.

Section 5: Creates s. 259.021, F.S., to give DEP authority to administer the Florida 2020 bond program.

Section 6: Amends s. 259.03, F.S., to delete obsolete language.

Section 7: Amends s. 259.032, F.S., related to DEP's CARL program, to express legislative intent on the importance of promoting water resource development and restoration and reclamation activities on public lands. Clarifies that CARL Trust Fund dollars may be used to pay costs of acquiring and managing public lands. Directs Board of Trustees to use CARL Trust Fund dollars to promote water resource development that benefits natural systems as well as the citizens, and to facilitate the restoration of the Everglades. Adds that an amount of state funds equal to 1.5 percent of the funds ever deposited in the Florida 2020 Trust Fund shall be deposited in the CARL Trust Fund for management purposes, payment in lieu of taxes, and related expenses. Provides that public lands heavily infested with non-native, invasive plants shall be designated as high-need tracts in terms of management funding. Eliminates obsolete language. Rearranges certain existing language for clarity.

Section 8: Creates s. 259.034, F.S., the Land Acquisition and Management Commission. Created effective July 1, 2000. Specifies membership. Provides for hiring of staff. Recognizes that at some point, the Legislature will transfer all the duties and responsibilities of the current Land Acquisition and Management Council to the new commission. Describes the process by which the commission will solicit, select and rank projects for Florida 2020 funding. Grants rulemaking authority.

Section 9: Amends s. 259.04, F.S., to clean up obsolete references related to Board of Trustees' responsibilities. Refers to "successor" to Land Acquisition and Management Council.

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Section 10: Amends s. 259.041, F.S., to include provisions on less-than-fee-simple acquisition. Includes land and waterbody restoration as one of the purposes of Chapter 259. .

Section 11: Amends s. 259.101, F.S., to make technical changes related to re-distribution of P2000 funds.

Section 12: Creates s. 259.105, F.S., the "Florida 2020 Act." Expresses legislative intent. Specifies that Florida 2020 bonds shall be repaid with documentary stamp tax revenues. Specifies purposes of the program, for environmental-recreational projects and for certain post-secondary education projects. Lists categories of projects which will be eligible for the environmental-recreational portion of the bond proceeds. Directs the Legislature by July 1, 2000, to establish in general law the percentage distribution of the Florida 2020 bond proceeds for the aforementioned program categories. Lists criteria for which the Land Acquisition and Management Commission shall give significant weight to when selecting and ranking projects. Provides for selection process. Specifies a process by which Florida 2020 lands are surplus, or otherwise disposed of. Specifies that under no circumstances shall the federal tax-exempt status of the Florida 2020 bonds be adversely affected. Creates rulemaking authority.

Section 13: Amends s. 373.459, F.S., to specify that Florida 2020 bond proceeds may be deposited in the Ecosystem Management and Restoration Trust Fund. Specifies eligibility requirements for Florida 2020 funds.

Section 14: Amends s. 373.59, F.S., to specify that any Florida 2020 funds deposited in the Water Management Lands Trust Fund shall not be used for management and maintenance, payment in lieu of taxes or fund administration. Specifies that these management and related expenses shall be paid from state documentary stamp tax revenues appropriated by the Legislature. Provides that funds derived from the surplus of Florida 2020 lands shall be used only to acquire similar lands.

Section 15: Amends s. 375.075, F.S., to direct that beginning in FY 2001- 2002, DEP and FCT will coordinate their efforts in using Florida 2020 funds to finance FRDAP projects. Specifies that FRDAP projects must be selected through a competitive process.

Section 16: Amends s. 380.507, F.S., that beginning in FY 2001- 2002, FCT may be eligible to compete for Florida 2020 funds.

Section 17: Amends s. 380.510, F.S., to specify that all deeds or leases to lands acquired with Florida 2020 funds must comply with constitutional and statutory provisions. Specifies that many of the same provisions that FCT now uses for the P2000 program will apply to its Florida 2020 funding.

Section 18: Creates the Florida 2020 Study Commission. Specifies membership and expertise. Provides for staff. Specifies study commission shall begin meeting no later

than August 31, 1998. Provides that study commission will expire on August 31, 1999. Provides for report on certain recommendation to Legislature and the Governor by July 1, 1999. Provides for a \$250,000 appropriation, half from CARL Trust Fund and half from Water Management Lands Trust Fund.

Section 19: Provides that this act shall take effect upon passage of a constitutional amendment creating bonding authority for the Florida 2020 program.

III. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

In FY 1998-1999, up to \$125,000 would be appropriated from the CARL Trust Fund to pay the administrative expenses of the Florida 2020 Study Commission.

2. Recurring Effects:

Indeterminate. Over a 20-year period, and beginning in FY 2000-2001, Florida 2020 will generate approximately \$4 billion for conservation, preservation and recreation projects, and approximately \$2 billion for university and community college projects. The \$6 billion total will be reduced by the costs associated with issuing the bonds. The annual debt service on each series of Florida 2020 bonds may be \$20 million -- to be appropriated on an annual basis.

However, the program's impact on state agencies is indeterminate. Beginning in FY 2002-2003, as the account balances in P2000 are finally spent, state agencies such as DEP, FCT, GFC and the Division of Forestry likely will receive fewer funds for land acquisition. That will occur for two reasons. First, the new Florida 2020 Program places -- at the very least -- an equal amount of emphasis on land and waterbody restoration projects as on acquisition projects. Also, the competitive selection process will more than likely result in Florida 2020 dollars being shared by a number of agencies and organizations.

Beginning in FY 2000-2001, the Legislature will have to appropriate funds to the Land Acquisition and Management Commission, which will administer the Florida 2020 Program. Presumably, not all of the commission's expenses will be new; it is anticipated that at least some of the staffing and responsibilities of DEP's Division of State Lands will be transferred to the commission.

3. Long Run Effects Other Than Normal Growth:

Indeterminate.

4. Total Revenues and Expenditures:

Approximately \$6 billion in bonded revenues will be spent under the Florida 2020 program, but the actual amount received by state agencies is indeterminate. The annual debt service will be an estimated \$20 million; generally, debt service will be less in the first year of each issuance because the bonds likely will be sold nine months into the fiscal year.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

In FY 1998-1999, the sum of up to \$125,000 would be appropriated from the Water Management Lands Trust Fund to pay half the administrative expenses of the Florida 2020 Study Commission.

2. Recurring Effects:

Indeterminate. Beginning in FY 2000-2001, counties, cities, and other types of local governments may have more access to state bond revenues for land and waterbody restoration and acquisition projects.

However, the five WMDs may receive fewer funds for land acquisition, for the same reasons as DEP and the other state agencies. On the other hand, the WMDs may receive more funds for SWIM and other restoration projects -- if they are able to successfully compete for those dollars.

3. Long Run Effects Other Than Normal Growth:

Indeterminate.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

Indeterminate.

2. Direct Private Sector Benefits:

Indeterminate.

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

Indeterminate.

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D. FISCAL COMMENTS:

As with the P2000 Program, the Legislature must annually appropriate the debt service for each series of Florida 2020 bonds issued. If at some point in the next two decades the state were to suffer a downturn in the sales of real estate, which is the primary source of documentary stamp tax revenues, the Legislature could decide not to fund debt service for a new issuance of Florida 2020 bonds.

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 research discussion of HB 4551 because the bill does not require cities or counties to expend funds, or to take actions requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

HB 4551 does not reduce the revenue-raising authority of counties or municipalities.

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

HB 4551 does not reduce the state revenue share with counties or municipalities.

V. COMMENTS:

N/A

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VII. SIGNATURES:

COMMITTEE ON WATER & RESOURCE MANAGEMENT:

Prepared by:

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