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DATE: April 8, 1999

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
GOVERNMENTAL OPERATIONS
ANALYSIS**

BILL #: CS/HB 2055

RELATING TO: One-Stop Permitting System

SPONSOR(S): Committee on Governmental Operations and Representative Constantine

COMPANION BILL(S): CS/CS/SB 662 (similar)

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

- (1) GOVERNMENTAL OPERATIONS YEAS 5 NAYS 0
- (2) GENERAL GOVERNMENT APPROPRIATIONS
- (3)
- (4)
- (5)

I. SUMMARY:

The bill repeals the Job Siting Act and the permit information clearinghouse responsibilities of the Office of Tourism, Trade and Economic Development (OTTED) within the Governor's Office.

The bill requires the Department of Management Services (DMS) to create, by January 1, 2000, a One-Stop Permitting Internet System to provide individuals and businesses with a central source of development permit information. The bill creates a Quick Permitting County Program where counties who certify that they employ certain permitting "best management practices" must be designated as Quick Permitting Counties by the DMS, and then become eligible for grant money of up to \$50,000 per county to connect to the One-Stop Permitting Internet System.

The bill amends the expedited permitting process, to provide counties and OTTED with additional flexibility to certify projects as eligible for expedited permitting in counties where the ratio between the number of jobs created and the number of Work and Gain Economic Self-sufficiency Act (WAGES) clients are low. In such counties, the jobs created by the project need not be considered high wage jobs that diversify the state's economy. In addition, OTTED is authorized to delegate to a Quick Permitting County the responsibility for certifying certain projects as eligible for expedited review and the convening of regional permit teams.

The bill substantially amends ss. 14.2015, 288.021 and 403.973, F.S.; creates ss. 288.109, 288.1092, 288.1093, 288.1095, F.S.; and repeals ss. 403.950-403.972, F.S.

The fiscal impact of this bill has not yet been determined.

II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

The permitting of new, expanding or relocating businesses in Florida involves a mosaic of state, regional and local development permits and approvals. A typical large commercial development might require, for example, an environmental resource permit from the applicable water management district, a storm water permit from the Department of Environmental Protection (DEP) or local government, a comprehensive plan amendment from the local government as reviewed by the Department of Community Affairs (DCA), a certification of transportation concurrency from the local government or the Department of Transportation (DOT), site plan approval from the local government, and a building permit from the local government. The time and difficulty of coordinating the application and issuance of such permits may serve as an impediment for both small and large businesses seeking to operate in Florida. During the past several years, a number of efforts to assist businesses with permitting have been enacted into law.

First, s.14.2015(6)(c)(3), F.S., directs the OTTED to submit a report to the Legislature: (1) identifying methods to expedite permits; (2) describing agency rules repealed or modified during each calendar year to improve the regulatory climate of businesses operating in the state; and (3) recommending an operating plan and funding level for establishing an automated one-stop permit registry. The automated one-stop permit registry is to create a computer network of all permit applications and approval requirements of each state agency, provide assistance in the completion of the application and permit the centralized collection of permit fees.

OTTED submitted this report to the Legislature in December 1997 and an updated version in December of 1998. The report proposes the establishment of the Florida Business Permitting System Internet web site, using existing resources, and includes a schedule for establishing the system by December 2000. The proposed system would allow the permit applicant to: (1) submit basic project description information only once for use by several agencies; (2) receive guidance on what governmental approvals are needed; (3) get information about permits and permit requirements and who to contact for help; (4) fill out and submit application forms on-line; (5) receive on-line help in filling out the forms; and (6) be invoiced for permit fees and be provided with payment options.

Second, s. 403.973, F.S., sets forth an expedited permitting process intended to facilitate the location and expansion of certain types of economic development projects. The section creates an expedited permitting and comprehensive plan amendment process for these projects based on the creation of regional permit action teams established through a memorandum of agreement between relevant state agencies and, if they choose to participate, local governments.

Businesses that may use the expedited permit process include:

(a) those creating at least 100 jobs;

(b) those creating at least 50 jobs if the project is located in an enterprise zone, in a county having a population of less than 75,000, or in a county having a population of less than 100,000 that is contiguous to a county having a population under 75,000; or

(c) those selected on a case-by-case basis at the request of a county or municipality, when the project does not meet job creation thresholds, but creates a minimum of 10 jobs.

Under the expedited permit process, the OTTED certifies eligible projects and directs the creation of regional permit action teams.

A memorandum of agreement between OTTED, and the heads of the Departments of Environmental Protection, Community Affairs, Transportation, Agriculture and Consumer Services, the Game and Fresh Water Fish Commission, regional planning councils, water management districts, and voluntarily participating counties and municipalities defines the role of each government agency in coordinating the review and issuance of multiple permits.

The contents of the memorandum of agreement may include permitting best practices that are intended to reduce the time necessary for permit issuance including:

- (a) a central contact point for filing permit and comprehensive planning applications;
- (b) identification of the individuals responsible for processing the application;
- (c) a preapplication review process, including an interagency preapplication review meeting, to be held within 14 days of certification of the project as eligible for the expedited permitting review process;
- (d) establishment of a process for the adoption and review of comprehensive plan amendments necessary for the project within 90 days after submission; and
- (e) incentives for an applicant whose project provides a net ecosystem benefit.

Local governments may elect to participate in the expedited permitting process. In order to participate, the local government must first hold a public workshop to explain the expedited permitting process to the public; and next, execute a memorandum of agreement for each qualified project.

The expedited permitting process does not weaken, modify or alter existing agency permit standards for permit applications or local comprehensive plan amendments. However, advantages of undertaking the expedited permitting process that are not otherwise available to a business include:

- (1) local comprehensive plan amendments are exempt from the twice-a-year limitations of s. 163.3187, F.S.;
- (2) expedited permitting projects are not subject to interstate highway level-of-service standards adopted by the Department of Transportation for concurrency purposes but are required to pay a fair share of the cost of mitigating the significant traffic impacts of the project; and
- (3) challenges to state agency action are subject to the summary hearing provisions of s. 120.574, F.S., except the administrative law judge's decision shall be in the form of a recommended order.

Since its creation in 1996, the expedited permitting process has not been widely used. To date, only six projects have been certified as eligible for the expedited permitting process and only two projects have completed the process.

In October 1998, the Office of Program Policy Analysis and Government Accountability (OPPAGA) issued Report No. 98-17 entitled "Review of the Expedited Permitting Process Coordinated by the Governor's Office of Tourism, Trade and Economic Development." The report evaluated the expedited permitting process based on:

- the ability of job-creating businesses using the process to reduce the time needed to obtain final agency action on permits and approvals;
- the ability of agencies to maintain environmental, transportation, and other permitting standards in a reduced time frame;
- the impact of the process on the workload of permitting offices; and
- the effectiveness of the process in encouraging and facilitating the location and expansion of job-creating businesses.

While the expedited permitting process has resulted in the faster issuance of permits, the process has been underutilized because of the newness of the process and lack of a proven track record, potential applicants being unaware of the process, and business location decisions which are made based on criteria other than permitting concerns. Because the expedited permit process has a narrow application, the OPPAGA report recommends the adoption of permitting best practices by both state agencies and local governments. These best practices include:

- ▶ establish a single point of contact for businesses seeking permit assistance;
- ▶ assign high-priority projects to senior staff with sufficient authority to ensure expeditious review;
- ▶ select high-priority projects for senior staff with sufficient authority to ensure expeditious review;
- ▶ use pre-application meetings to set a schedule and to agree on methods for resolving identified problems;
- ▶ use frequent inter-agency meetings to discuss key issues and address inter-agency conflicts;

- ▶ take extra steps to avoid routine, but unnecessary procedural delays for high-priority projects; and
- ▶ participate in efforts to maintain an adequate site inventory.

The report also recommends the establishment of a one-stop permit registry to provide comprehensive on-line permit information, increased education of the business community about the expedited permitting process, and repeal of the Jobs Siting Act.

The Jobs Siting Act, ss. 403.950-403.972, F.S., was enacted in 1993 to establish a coordinated and consolidated facility siting process. Since its enactment, it has never been used due to its complexity, restrictive eligibility criteria, and high application fee. The expedited permitting process set forth in s. 403.973, F.S., provides a more flexible option for projects that would otherwise qualify for the Jobs Siting Act.

B. EFFECT OF PROPOSED CHANGES:

Section 1. This section sets forth legislative intent to create a statewide one-stop permitting system and encourages local governments to expedite and streamline permitting, adopt best management practices, and integrate local permitting processes into the statewide one-stop permitting system.

Section 2. This section amends s. 14.2015, F.S., regarding the duties of the OTTED of the Governor's Office by repealing its specific duties to act as a clearinghouse for one stop permit information and assistance responsibilities, to coordinate permitting agencies under the Jobs Siting Act; and to provide a recommendation and funding level for a one-stop permit registry.

Section 3. This section amends s. 288.021, F.S., to include the Department of Revenue, each water management district, and each Department of Transportation District Office as government entities for which the head of such agency must designate an economic development liaison. This person is to be the primary point of contact of the government entity with the OTTED in the Governor's Office on economic development issues, including to expedite project review, and other permitting and regulatory functions.

Section 4. This section creates s. 288.109, F.S., establishing an Internet One-Stop Permitting System. The purpose of the One-Stop Permitting System is to provide individuals and businesses with information concerning development permits, including guidance on permit requirements and who may be contacted concerning development permits for a specific location. Ultimately, the objective of the Internet site is to allow an applicant to complete and submit permit application forms and fees to state agencies and local governments over the Internet.

By January 1, 2000, the Department of Management Services (DMS) is directed to develop the One-Stop Permitting System Internet site. The Internet site is to allow a business or individual to complete and submit application forms for development permits to state agencies and counties. The term "development permit" is defined to include any state, regional, or local permits or approvals necessary for the physical location or expansion of a business; examples include: wetland or environmental resource permits; storm water permits; and zoning approvals and comprehensive plan amendments. State agencies to be initially included in the One-Stop Permitting System include: the Department of Environmental Protection; the Department of Community Affairs; the Department of Management Services; the Department of Transportation, including district offices; and each water management district. In addition, selected counties that agree to participate will be included in the One-Stop Permitting System.

By January 1, 2001, the Departments of Agriculture and Consumer Services, Business and Professional Regulation, Health, Insurance, Labor and Employment Security, Revenue, and State, the Game and Fresh Water Fish Commission, and other state agencies, are to be added to the One-Stop Permitting System Internet site. In addition, the DMS may add counties and municipalities as such local governments agree to participate and develop the technical capability of joining the system.

Several incentives are available to individuals or businesses who submit a permit application over the One-Stop Permitting System. First, such applications submitted over the Internet are to be issued or denied within 60 days of receipt by the agency of a completed application. CS/HB 2055 provides that, in the case of permits issued by the water management districts, each completed application that does not require governing board approval must be approved or denied within 60 days after receipt.

For permits that require governing board approval, the completed application must be approved or denied by the governing board at the next regularly scheduled meeting after the 60-day period has expired. And second, the fee imposed by a state agency or water management district for issuing a permit shall be waived for complete permit applications received by the agency over the Internet during the first six months of agency participation in the One-Stop Permitting System. Permit fees assessed under the Electrical Power Siting Act, ss. 403.501-403.519, F.S.; the Transmission Line Siting Act, ss. 403.52-403.5365, F.S.; the Statewide Multi-purpose Hazardous Waste Facility Siting Act, ss. 403.78-403.7893, F.S.; the Natural Gas Pipeline Siting Act, ss. 403.9401-403.9425, F.S.; and the High Speed Rail Transportation Siting Act, ss. 341.3201-341.386, F.S., are exempt from the fee waiver.

Section 5. This section creates s. 288.1092, F.S., the One-Stop Permitting Grant Program. The purpose of the grant program is to encourage counties to participate in the One-Stop Permitting System. Under the program, the DMS is authorized to grant certain counties certified as a Quick Permitting County with grants of up to \$50,000 to purchase software, hardware, or consulting services necessary for the county to interface with the One-Stop Permitting System. The grant monies shall be allocated on a first-come, first-served basis.

Section 6. This section creates the Quick Permitting County Designation Program, s. 288.1093, F.S. Under the program, counties may certify to the DMS that the county has implemented certain permitting "best management practices," including, for example: the establishment of a single point of contact for businesses seeking permits with the county; the selection of high-priority projects for accelerated permit review; and the evaluation and elimination of duplicative approval and permitting requirements within the county. Once certified as a Quick Permitting County, the participating county is eligible for grant money to connect to the One-Stop Permitting System.

Section 7. This section of the bill creates s. 288.1095, F.S., which requires OTTED to develop literature that explains the One-Stop Permitting System and lists Quick Permitting Counties. State agencies and Enterprise Florida are directed to distribute the literature to businesses seeking to open in, expand in, or relocate to Florida.

Section 8. This section repeals the Jobs Siting Act, ss. 403.950-403.972, F.S. The Jobs Siting Act establishes a process for the permitting of large economic development projects that create at least 100 jobs (or between 25-100 jobs with the agreement of local government) which pay an estimated annual average wage that equals at least 115 percent of the area average wage. The Act provides for the issuance of a single license which would constitute state approval of the site and the construction and operation of the proposed project. The Jobs Siting Act has never been used by an applicant.

Section 9. This section amends s. 403.973, F.S., to broaden the economic criteria by which an economic development project may be eligible to employ the expedited permitting process. The bill allows OTTED or a Quick Permitting County to certify projects located in counties where the ratio of new jobs per WAGES client as determined by the Workforce Development Board of Enterprise Florida is less than one, or otherwise determined to be critical, as eligible for the expedited permitting process. While such projects would still have to meet the job creation criteria of the statute, such jobs need not be considered high wage jobs that diversify the state's economy. (As of March 1999, counties identified by the Workforce Development Board as having a low ratio of new jobs per WAGES client include Calhoun, Holmes, Jackson, Gadsden, Leon, Wakulla, Baker, Columbia, Dixie, Hamilton, Jefferson, Madison, Dade, Monroe, Pasco and Hernando.)

In addition, OTTED is granted the authority to delegate to a Quick Permitting County the responsibilities for certifying projects as eligible for expedited review and for convening regional permit teams. In order to receive such a delegation, the county must have held a public hearing and agree to execute a memorandum of agreement for each qualified project.

Finally, the amended language would authorize the applicant, regional permit-action team, and participating local governments to agree to incorporate into a single document the permits, licenses, and approvals that are obtained through the expedited permit process.

Section 10. This section provides an appropriation of \$500,000 to DMS to be used to fund Quick Permitting Grants to counties.

Section 11. This section provides an effective date of July 1, 1999.

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. Section 3 of the bill amends s. 288.021, F.S., to include the Department of Revenue, each water management district, and each Department of Transportation District Office as government entities for which the head of such agency must designate an economic development liaison.

Section 4 creates s. 288.109, F.S., which requires that, by January 1, 2000, the Department of Management Services (DMS) develop the One-Stop Permitting System Internet site.

Section 4 also requires that applications submitted over the Internet are to be issued or denied within 60 days of receipt by the agency.

Finally, Section 7 of the bill creates s. 288.1095, F.S., which requires OTTED to develop literature that explains the One-Stop Permitting System and lists Quick Permitting Counties. State agencies and Enterprise Florida are directed to distribute the literature to businesses seeking to open in, expand in, or relocate to Florida.

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

No.

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

Section 8 repeals the Jobs Siting Act, ss. 403.950-403.972, F.S., which establishes a process for the permitting of large economic development projects, and provides for the issuance of a single license for the proposed project. The Jobs Siting Act has never been used by an applicant.

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

By January 1, 2000, the Department of Management Services (DMS) is directed to develop the One-Stop Permitting System Internet site.

Also, see, FISCAL COMMENTS.

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

See, FISCAL COMMENTS.

(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. On the contrary, it requires a freeze on the collection of certain fees for a six-month period.

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

No.

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

Yes. The bill provides that, notwithstanding any other provision of law or administrative rule to the contrary, the fee imposed by a state agency or water management district for issuing a permit is waived for a six-month period beginning on the date the state agency or water management district begins accepting permit applications over the Internet. The waiver of permit fees is likely to have some effect upon revenue of the state agencies and water management districts. (See, FISCAL COMMENTS.)

- 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?

No.

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

No.

5. Family Empowerment:

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

The bill does not purport 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:

The bill does not create or change a program providing services to families or children.

(1) parents and guardians?

N/A

(2) service providers?

N/A

(3) government employees/agencies?

N/A

D. STATUTE(S) AFFECTED:

Amends ss. 14.2015, 288.021, and 403.973 F.S.

Creates ss. 288.109, 288.1092, 288.1093, and 288.1095, F.S.

Repeals ss. 403.950, 403.951, 403.952, 403.953, 403.954, 403.955, 403.9551, 403.956, 403.957, 403.958, 403.959, 403.960, 403.961, 403.9615, 403.963, 403.964, 403.965, 403.966, 403.967, 403.968, 403.969, 403.970, 403.971, and 403.972, F.S.

E. SECTION-BY-SECTION ANALYSIS:

None.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

See, FISCAL COMMENTS.

2. Recurring Effects:

See, FISCAL COMMENTS.

3. Long Run Effects Other Than Normal Growth:

See, FISCAL COMMENTS.

4. Total Revenues and Expenditures:

See, FISCAL COMMENTS.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

See, FISCAL COMMENTS.

2. Recurring Effects:

See, FISCAL COMMENTS.

3. Long Run Effects Other Than Normal Growth:

See, FISCAL COMMENTS.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

See, FISCAL COMMENTS.

2. Direct Private Sector Benefits:

See, FISCAL COMMENTS.

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

See, FISCAL COMMENTS.

D. FISCAL COMMENTS:

The fiscal impact of this bill has not yet been determined. Nevertheless, some possible impacts have been identified:

Private Sector Impacts

The bill may decrease the transaction costs incurred by an individual or business applying for development permits by providing a central source of permit application information and an alternative method of submitting permit applications to state agencies. Also, additional businesses will be eligible to use the expedited permitting process offering an option for reducing the time it takes to obtain multiple development permits.

Government Sector Impacts

The state agencies and water management districts that are required to provide a six-month fee waiver for development permits will incur lost permit fee revenue.

The exact fiscal impact to agencies has not yet been determined, and will depend on the applicants' use of the Internet system. The Department of Environmental Protection has estimated that the 6-month fee waiver may result in a loss of \$3 million to the Permit Fee Trust Fund which is used primarily to fund the operations of the Department.

The Senate's version of the bill provides an appropriation of \$3 million from non-recurring General Revenue for Fiscal Year 1999-2000 to be used to offset the potential decline in revenues as a result of the six month fee waiver. The Senate's bill also provides a process for determining the amount of the loss, an analysis of the fiscal impact, and for the release of the funds.

The Department of Management Services may incur additional administrative costs in designing and contracting for services to implement the One-Stop Permitting System. The Department of Management Services has provided the following estimate:

Task	Hours	Cost Per Hour	Cost
Analysis	100	\$53.90	\$5,390
Web Page Design	60	\$53.90	\$3,234
Database Development	300	\$53.90	\$16,170
Total			\$24,794

Project Management (½ Time)	1040	\$90.00	\$93,600
OPS Full-Time	2080	\$15.00	\$31,200

In addition, the requirement that completed permit applications submitted to an agency over the One-Stop Permitting System be issued or denied within 60 days rather than 90 days may require agencies to hire more personnel to handle the workload within the required time frame.

On the other hand, to help them connect to the One-Stop Permitting System, certain counties designated as Quick Permitting Counties are eligible for grants in amounts up to \$50,000.

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 spend funds or to take an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

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

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

V. COMMENTS:

Note: CS/CS/SB 662 provides that a state agency or water management district is authorized to reduce a permit fee by twenty-five percent for applicants who submit a complete application over the Internet when the applicant is not required to submit additional information to the agency or water management district. This change is not reflected in CS/HB 2055.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

On April 8, 1999, the Committee on Governmental Operations adopted three amendments to HB 2055. The first is a technical one, and includes water management districts in the list of entities allowed access to the One-Stop Permitting System. The second clarifies that applications must be approved or denied within 60 days. It also makes changes similar to those in CS/CS/SB 662, providing that, in the case of permits issued by the water management districts, each completed application that does not require governing board approval must be approved or denied within 60 days after receipt; for permits that require governing board approval, the completed application must be approved or denied by the governing board at the next regularly scheduled meeting after the 60-day period has expired. Finally, the third amendment removes consumptive water-use permits from the list of permits included by the term "development permitting".

VII. SIGNATURES:

COMMITTEE ON GOVERNMENTAL OPERATIONS:

Prepared by:

Staff Director:

Jen Girgen

Jimmy O. Helms