

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1101 w/CS Rural Land Protection
SPONSOR(S): Littlefield
TIED BILLS: HB 1111 **IDEN./SIM. BILLS:** SB 728, SB 730

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Agriculture	11 Y, 0 N w/CS	Kaiser	Reese
2) Natural Resources		Camechis	Lotspeich
3) Appropriations			
4)			
5)			

SUMMARY ANALYSIS

In 2001, the Legislature enacted the "Rural and Family Lands Protection Act" establishing a voluntary program for rural land protection through perpetual easements and agricultural protection agreements. The Act authorized the Department of Agriculture and Consumer Services (department), acting on behalf of the Board of Trustees of the Internal Improvement Trust Fund, to allocate moneys to acquire perpetual easements and enter into agricultural protection agreements. These agreements prohibit the construction of buildings, roads, or other structures, unless necessary for agricultural operations on the land, thereby preserving Florida's farm land and natural resources from further development.

HB 1101 provides a funding source for the Act through the issuance of rural land protection bonds. The bonds will be issued through the Division of Bond Finance of the State Board of Administration pursuant to the State Bond Act. The bill provides for the proceeds of the bonds issued, less costs of funding reserve accounts, and other costs with respect to the bonds, to be deposited into the Conservation and Recreation Lands (CRL) Program Trust Fund of the department. In addition, the department is authorized to use rural land protection bond proceeds and any other funds deposited into CRL Program Trust Fund to acquire conservation and rural land protection easements and to fund agricultural protection and resource conservation agreements.

While the fiscal analysis of this bill shows a fiscal impact associated with implementation of the Act, there is no appropriation assigned to this legislation. It is the intention to enact the bill, without an appropriation, and seek funding at a later date. In addition, this legislation does not appear to affect municipal or county government; nor does it give the department any rule-making authority.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: h1101b.nr.doc
DATE: March 27, 2003

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. DOES THE BILL:

- | | | | |
|--------------------------------------|---|-----------------------------|---|
| 1. Reduce government? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 2. Lower taxes? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 5. Empower families? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. EFFECT OF PROPOSED CHANGES:

In 2001, the Legislature enacted the "Rural and Family Lands Protection Act" establishing a voluntary program for rural land protection through perpetual easements and agricultural protection agreements. The Act authorized the Department of Agriculture and Consumer Services (department), acting on behalf of the Board of Trustees of the Internal Improvement Trust Fund, to allocate moneys to acquire perpetual easements and enter into agricultural protection agreements. These agreements prohibit the construction of buildings, roads, or other structures, unless necessary for agricultural operations on the land, thereby preserving Florida's farm land and natural resources from further development.

HB 1101 provides a funding source for the Act through the issuance of rural land protection bonds. It provides that funds must first be used to pay debt service before being used for any other purpose. The bonds may be issued over the next 10 fiscal years commencing on July 1, 2003, in an amount not exceeding \$100 million in any fiscal year.

The bonds will be issued through the Division of Bond Finance of the State Board of Administration pursuant to the State Bond Act. The bill provides for the proceeds of the bonds issued, less costs of funding reserve accounts, and other costs with respect to the bonds, to be deposited into the Conservation and Recreation Lands (CRL) Program Trust Fund of the department. In addition, the department is authorized to use rural land protection bond proceeds and any other funds deposited into CRL Program Trust Fund to acquire conservation and rural land protection easements and to fund agricultural protection and resource conservation agreements.

C. SECTION DIRECTORY:

Section 1: Amends s. 201.15, F.S., providing for distribution of documentary stamp tax proceeds into the Rural Lands Program Trust Fund, and providing criteria for use of funds.

Section 2: Creates s. 215.6195, F.S., authorizing issuance of bonds; providing conditions for issuance; providing for the protection of the bondholders; providing bonds be payable from Rural Lands Program Trust Fund, approving Division of Bond Finance to issue bonds authorized by this section; requiring proceeds from sale of bonds, less costs incurred, to be deposited into the Conservation and Recreation Lands (CRL) Program Trust Fund within the Department of Agriculture and Consumer Services (department); providing stipulations for bonded land; providing for validation of bonds and, providing criteria for filing complaints.

Section 3: Provides legislative intent that the issuance of rural land protection bonds is in the best interest of the state.

Section 4: Amends s. 570.207, F.S., authorizing the use of bond proceeds and other funds deposited into CRL trust fund, and specifying criteria for which funds are to be used.

Section 5: Amends s. 570.70, F.S., providing legislative findings as requested per study.

Section 6: Amends s. 570.71, F.S., authorizing department to use rural land protection bonds for implementation of the Act.

Section 7: Providing an effective date, with stipulations.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

		Amount Year 1 (FY 03-04)	Amount Year 2 (FY 04-05)	Amount Year 3 (FY 05-06)
1. Revenues:	Fund			
Anticipated Recurring Revenues	CRLTF	\$100million	\$100million	\$100million
	RLPTF	<u>\$ 10million</u>	<u>\$ 20million</u>	<u>\$ 30million</u>
Total Recurring Revenues		\$110million	\$120million	\$130million
2. Expenditures:				
Non-recurring Expenses:				
OPS – Division of Forestry	GR			
OPS – Support (1040 hrs@ \$14.50/hr.)		\$ 15,080	\$ 15,457	\$ 15,834
OCO – Division of Forestry	GR			
(3) Professional Pkg. @ \$1500 each		4,500	-	-
OCO Computer upgrades/GPS units		6,000	-	-
(2) 4x4 Utility vehicles		26,000	-	-
(2) Uniforms		1,000	-	-
OCO – Division of Administration	GR			
(3) Professional Pkg. @ \$1500 each FTE the second year		-	4,500	-
AGMIC (GR or GITF)				
Application modification of existing Imaging systems	GR	<u>-</u>	<u>25,000</u>	<u>-</u>
Total Non-recurring Expenses		52,580	70,957	15,834
Recurring Expenses:				
Positions – Div. of Forestry	GR			
(1) FTE-Sr. Acq. Review Agent		55,082	56,184	57,307
(1) FTE-Sr. Appraiser		58,390	59,558	60,749
(1) FTE-Admin. Asst. II		41,437	42,265	43,111

	Fund	Amount Year 1 (FY 03-04)	Amount Year 2 (FY 04-05)	Amount Year 3 (FY 05-06)
Positions – Division of Administration				
	GR			
(1) FTE-Sr. Attorney		-	90,000	91,800
(1) FTE-Prof. Accountant Supervisor			61,566	62,797
(1) FTE-Prof. Accountant Specialist			55,082	56,184
Expenses – Div. of Forestry				
	GR			
(3) Professional Expense Pkg. @ 9915		29,745	29,745	29,745
Expenses – Division of Administration				
	GR			
(3) Professional Expense Pkg. @ \$9915 for 2 nd and 3 rd years			29,745	29,745
Travel associated with rule development, establishment of application process and prioritizing projects		5,000	5,000	5,000
Other – Division of Forestry				
	GR			
Travel		5,000	5,000	5,000
Public workshops & hearings		5,000	2,500	2,500
Uniform allowances		200	200	200
Additional supplies		4,000	4,000	4,000
Vehicle maintenance		500	1,000	1,500
Brochures/printing services		<u>7,500</u>	<u>4,000</u>	<u>2,500</u>
Fixed capital outlay of up to \$100 million per bond issue	CRLTF	<u>100Mil</u>	<u>100Mil</u>	<u>100Mil</u>
Total Recurring expense	GR	211,854	445,845	453,138
	CRLTF	<u>100Mil</u>	<u>100Mil</u>	<u>100Mil</u>
Total Expense	GR	\$ 264,434	\$ 516,802	\$ 468,972
	CRLTF	\$100Mil	\$100Mil	\$100mil

Notes on Non-Operating Costs:

The amount transferred to the State Board of Administration for debt service is dependent upon the debt service requirements developed. Debt services are estimated at 10 percent of bonds issued, not to exceed 20 annual maturities.

The amount of Document Excise Tax revenue received in the Rural Lands Protection Trust Fund is dependent upon the debt service requirements developed by the State Board of Administration after bond issuance.

Notes on Operating Costs and Revenues:

Salaries and benefits were entered at 10% above minimum, except the Senior Attorney which is listed at mid-range, and increased 2% for the second and third years in anticipation of salary increases. This is to ensure the ability to recruit qualified staff.

The Department of Agriculture and Consumer Services has an existing land acquisition program with staff who have been involved with conservation easements throughout the state. It also has

access to several conservation easement documents to assist with standard contract development. The Act provides for the authorization of up to \$100,000,000 in bond revenue to implement the Act. The program will not generate revenue to the department, with the exception of those funds generated from the issuance of the bonds and/or those funds deposited into the CRL Trust Fund. The department will develop and administer an application and selection process for lands before purchasing these perpetual easements, develop and implement a process for the mapping, appraisal, contracting, and approval of agreements by the appropriate body, develop and implement management plans, and ensure landowner compliance with the perpetual easements. The Division of Forestry has expertise with all of these elements and will function as contract managers. General Revenue will pay for personnel, administrative and operating costs, computer hardware and software requirements, vehicles and field equipment, and educational material for marketing the program. The production of actual work products such as maps, appraisals, environmental assessments, closing services, easement documentation reports, etc., will be privatized with outside vendors. Costs for acquisition and post acquisition related services will be funded from the proceeds of the bond issuance or from funds placed in the department's CRL Trust Fund.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None

2. Expenditures:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Landowners who elect to participate in the program would receive undetermined amounts of money. They would also have access to appraisal services, consulting foresters, title services, environmental services and non-profit organizations for establishing baseline information of the condition of the property, as well as implementation of resource conservation and agricultural protection agreements. In addition, since the property would stay in agriculture or silviculture, the local workforces in those industries would remain unaltered.

D. FISCAL COMMENTS:

None

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not appear to affect municipal or county government.

2. Other:

None

B. RULE-MAKING AUTHORITY:

None

C. DRAFTING ISSUES OR OTHER COMMENTS:

None

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

On March 20, 2003, the Committee on Agriculture adopted two amendments to HB 1101. The first amendment provided legislative intent that the issuance of rural land protection bonds is in the best interest of the state and should be implemented.

The second amendment is technical in nature, inserting the number of the trust fund bill (HB 1111) in reference to stipulations of the effective date. This analysis has been amended to reflect these changes.