

3

5

б

7

8

9

10 11

12

13

14

15

16

17

18

19

20

21

22

23

24

2.5

26

27

2.8

29

30

HB 1363 2003

A bill to be entitled

An act relating to phosphate mining; amending s. 373.414, F.S.; providing additional criteria for activities within watersheds; revising conditions under which wetlands reclamation activities for phosphate and heavy minerals mining are considered appropriate mitigation under pt. IV of ch. 373, F.S.; providing for applicability of certain provisions to watersheds rather than drainage basins; providing additional conditions under which the governing board of a water management district and the Department of Environmental Protection shall consider phosphate mining activities to meet specified cumulative impact requirements; providing construction; requiring a cumulative analysis of specified impacts prior to any modification or expansion of existing phosphate mining activities and new phosphate mining activities; defining "prospective phosphate mines"; amending s. 378.035, F.S.; revising provisions relating to the use of funds within the Nonmandatory Land Reclamation Trust Fund; removing obsolete provisions; removing provisions relating to the deposit and use of funds derived from registration fees under the phosphogypsum management program; removing provisions relating to the availability of specified funds in the event that the nonmandatory land reclamation program encumbers all the funds in the Nonmandatory Land Reclamation Trust Fund; amending s. 403.4154, F.S.; providing financial responsibility requirements for mining activity and phosphogypsum stack systems; amending s. 403.4155, F.S., relating to rulemaking authority of the Department of Environmental Protection with respect to

Page 1 of 18



HB 1363 2003

phosphogypsum management; removing obsolete provisions; providing severability; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Subsections (6) and (8) of section 373.414, Florida Statutes, are amended to read:

373.414 Additional criteria for activities <u>within</u> watersheds <u>in surface waters and wetlands</u>.--

(6)(a) The Legislature recognizes that some mining activities that may occur in waters of the state must leave a deep pit as part of the reclamation. Such deep pits may not meet the established water quality standard for dissolved oxygen below the surficial layers. Where such mining activities otherwise meet the permitting criteria contained in this section, such activities may be eligible for a variance from the established water quality standard for dissolved oxygen within

(b) Wetlands reclamation activities for phosphate and heavy minerals mining undertaken pursuant to chapter 378 shall be considered appropriate mitigation for this part if they maintain or improve the water quality and the function of the biological systems present at the site prior to the commencement of mining activities, and the requirements of subsection (8) are

met.

(c) Wetlands reclamation activities for fuller's earth mining undertaken pursuant to chapter 378 shall be considered appropriate mitigation for this part if they maintain or improve the water quality and the function of the biological systems present at the site prior to the commencement of mining

the lower layers of the reclaimed pit.



 HB 1363 2003

activities, unless the site features make such reclamation impracticable, in which case the reclamation must offset the regulated activities' adverse impacts on surface waters and wetlands.

- (d) Onsite reclamation of the mine pit for limerock and sand mining shall be conducted in accordance with the requirements of chapter 378.
- 1. Mitigation activities for limerock and sand mining must offset the regulated activities' adverse impacts on surface waters and wetlands. Mitigation activities shall be located on site, unless onsite mitigation activities are not feasible, in which case, offsite mitigation as close to the activities as possible shall be required. However, mitigation banking may be an acceptable form of mitigation, whether on or off site, as judged on a case-by-case basis.
- 2. The ratio of mitigation-to-wetlands loss shall be determined on a case-by-case basis and shall be based on the quality of the wetland to be impacted and the type of mitigation proposed.
- (8)(a) The governing board or the department, in deciding whether to grant or deny a permit for an activity regulated under this part shall consider the cumulative impacts upon surface water and wetlands, as delineated in s. 373.421(1), within the same drainage basin as defined in s. 373.403(9), of:
  - 1. The activity for which the permit is sought.
- 2. Projects which are existing or activities regulated under this part which are under construction or projects for which permits or determinations pursuant to s. 373.421 or s. 403.914 have been sought.



HB 1363 2003

3. Activities which are under review, approved, or vested pursuant to s. 380.06, or other activities regulated under this part which may reasonably be expected to be located within surface waters or wetlands, as delineated in s. 373.421(1), in the same watershed drainage basin as defined in s. 373.403(9), based upon the comprehensive plans, adopted pursuant to chapter 163, of the local governments having jurisdiction over the activities, or applicable land use restrictions and regulations.

- watershed drainage basin as the adverse impacts to be mitigated, and if the mitigation offsets these adverse impacts, the governing board and department shall consider the regulated activity to meet the cumulative impact requirements of paragraph (a). However, for phosphate mining activities, an applicant must also demonstrate that the direct and indirect cumulative impact of changes in water flows and levels from mining activities, phosphogypsum stack systems, and associated reclamation activities will not adversely affect surface water, ground water, wetland, upland, aquatic, and estuarine habitats, listed species, and other natural system features within the same watershed. This paragraph may not be construed to prohibit mitigation outside the watershed drainage basin which offsets the adverse impacts within the watershed drainage basin.
- (c) Prior to any modification or expansion of existing phosphate mining activities and any new phosphate mining activities, including, but not limited to, approvals, permit issuance, and any mining activities within the Peace River Watershed pursuant to this part, or chapter 373, the department shall require the operator or applicant to complete a cumulative analysis of the impacts throughout the watershed that may result



HB 1363 2003

from phosphate mining activities, including phosphogypsum stack system operations and closure, reclamation, and other related activities on natural systems. Such cumulative analysis shall evaluate the collective impacts of all permitted and exempt existing phosphate mines and all prospective mines, including direct and indirect impacts on: surface waters; ground waters; upland, wetland, aquatic, and estuarine habitats; listed species; and other natural system features. For purposes of the section, prospective phosphate mines include all lands that have been identified for phosphate mining in any plan completed pursuant to chapter 163 or chapter 378, or identified for phosphate mining in any request for approval submitted to any federal, state, regional or a local government agency, and have not been permanently excluded from mining by acquisition for conservation purposes or by conservation easement.

- Section 2. Section 378.035, Florida Statutes, is amended to read:
- 378.035 Department responsibilities and duties with respect to Nonmandatory Land Reclamation Trust Fund.--
- (1) The department shall administer the Nonmandatory Land Reclamation Trust Fund.
- (2)(a) The department shall verify that reclamation activities or portions thereof have been accomplished in accordance with the reclamation contract and shall certify the cost of such reclamation activities to the Comptroller for reimbursement.
- (b) Beginning in 1985, the department shall determine the maximum dollar amount a landowner may be reimbursed per reclaimed acre under an approved reclamation program.



HB 1363 2003

(c) Nothing in this act precludes a landowner from performing the reclamation pursuant to the approved reclamation program, provided the landowner complies with the provisions of this act.

- (3) If an applicant who has signed a reclamation contract abandons the reclamation program prior to substantial completion of the program, the department may spend the remaining balance of funds not expended under the contract to complete the program.
- (a) The contract amount and any amounts spent by the department in excess of the remaining balance of the funds under the contract become a lien upon the property, enforceable pursuant to chapter 85. The moneys received as a result of a lien foreclosure or as repayment shall be deposited into the trust fund.
- (b) If the land acquired pursuant to the lien foreclosure has recreational or wildlife value, the department may retain ownership as with other property acquired pursuant to s. 378.036. If the department sells the property, the department shall deposit the proceeds of the sale into the trust fund.
- (4) Interest on moneys deposited in the Nonmandatory Land Reclamation Trust Fund shall accrue to that fund.
- (5) On July 1, 2001, \$50 million of the unencumbered Funds within the Nonmandatory Land Reclamation Trust Fund are also authorized reserved for use by the department for the following purposes.
- (a) These reserved moneys are to be used To reclaim lands disturbed by the severance of phosphate rock on or after July 1, 1975, in the event that a mining company ceases mining and the associated reclamation prior to all lands disturbed by the

Page 6 of 18



HB 1363 2003

operation being reclaimed. Moneys expended by the department to accomplish reclamation pursuant to this subsection shall become a lien upon the property enforceable pursuant to chapter 85. The moneys received as a result of a lien foreclosure or as repayment shall be deposited into the trust fund. In the event the money received as a result of lien foreclosure or repayment is less than the amount expended for reclamation, the department shall use all means available to recover, for the use of the fund, the difference from the affected parties. Paragraph (3)(b) shall apply to lands acquired as a result of a lien foreclosure.

- million reserve fund For the abatement of an imminent hazard as provided by s. 403.4154(4)(3) and for the purpose of closing an abandoned phosphogypsum stack system and carrying out postclosure care as provided by s. 403.4154(6)(5). Fees deposited in the Nonmandatory Land Reclamation Trust Fund pursuant to s. 403.4154(4) may be used for the purposes authorized in this paragraph. However, such fees may only be used at a stack system if closure or imminent-hazard-abatement activities initially commence on or after July 1, 2002.
- (6)(a) Up to one-half of the interest income accruing to the funds reserved by subsection (5) shall be available to the department annually for the purpose of funding basic management or protection of reclaimed, restored, or preserved phosphate lands:
- 1. Which have wildlife habitat value as determined by the Bureau of Mine Reclamation;
- 2. Which have been transferred by the landowner to a public agency or a private, nonprofit land conservation and



209

210211

HB 1363 2003

management entity in fee simple, or which have been made subject to a conservation easement pursuant to s. 704.06; and

3. For which other management funding options are not available.

212

213

214

215

216

221

222

223

224

225

226

227

228

These funds may, after the basic management or protection has been assured for all such lands, be combined with other available funds to provide a higher level of management for such lands.

- (b) Up to one-half of the interest income accruing to the funds reserved by subsection (5) shall be available to the department annually for the sole purpose of funding the department's implementation of:
  - The NPDES permitting program authorized by s. 403.0885, as it applies to phosphate mining and beneficiation facilities, phosphate fertilizer production facilities, and phosphate loading and handling facilities;
  - 2. The regulation of dams in accordance with department rule 62-672, Florida Administrative Code; and
  - 3. The phosphogypsum management program pursuant to s. 403.4154 and department rule 62-673, Florida Administrative Code.

229230

231

232

233

234

On or before August 1 of each fiscal year, the department shall prepare a report presenting the expenditures using the interest income allocated by this section made by the department during the immediately preceding fiscal year, which report shall be available to the public upon request.

235236

237

(7) Should the nonmandatory land reclamation program encumber all the funds in the Nonmandatory Land Reclamation



HB 1363 2003

Trust Fund except those reserved by subsection (5) prior to funding all the reclamation applications for eligible parcels, the funds reserved by subsection (5) shall be available to the program to the extent required to complete the reclamation of all eligible parcels for which the department has received applications.

- (7) (8) The department may not accept any applications for nonmandatory land reclamation programs after November 1, 2008.
- (8)(9) The Bureau of Mine Reclamation shall review the sufficiency of the Nonmandatory Land Reclamation Trust Fund to support the stated objectives and report to the secretary annually with recommendations as appropriate. The report submittal for calendar year 2008 shall specifically address the effect of providing a future refund of fees paid pursuant to s. 403.4154(5)(4) following certification of stack closure pursuant to department rules, and the report shall be submitted to the Governor, the President of the Senate, and the Speaker of the House of Representatives on or before March 1, 2009.
- Section 3. Section 403.4154, Florida Statutes, is amended to read:
  - 403.4154 Phosphogypsum management program.--
  - (1) DEFINITIONS.--As used in this section, the term:
- (a) "Department" means the Department of Environmental Protection.
- (b) "Existing stack" means a phosphogypsum stack, as
  defined in paragraph (d), that is:
  - 1. In existence in this state on May 12, 1993; or
- 2. Constructed in this state after May 12, 1993, and for which the department has received a certification of completion



HB 1363 2003

of construction submitted by the owner of the newly constructed phosphogypsum stack.

269270

267

268

The term "existing stack" does not include a phosphogypsum stack that has been closed pursuant to a department permit or order.

272273

271

(c) "Phosphogypsum" means calcium sulfate and byproducts produced by the reaction of sulfuric acid with phosphate rock to produce phosphoric acid.

274275

276277

(d) "Phosphogypsum stack" means any defined geographic area associated with a phosphoric acid production facility in which phosphogypsum is disposed of or stored, other than within a fully enclosed building, container, or tank.

278

279

280

281

282

283

284

285

286

287

288

289

290

291292

293294

295

"Phosphogypsum stack system" means the phosphogypsum stack, pile, or landfill, together with all pumps, piping, ditches, drainage conveyances, water-control structures, collection pools, cooling ponds, surge ponds, and any other collection or conveyance system associated with the transport of phosphogypsum from the plant to the phosphogypsum stack, its management at the stack, and the process-wastewater return to the phosphoric acid production or other process. This definition specifically includes toe drain systems and ditches and other leachate collection systems but does not include conveyances within the confines of the fertilizer production plant or existing areas used in emergency circumstances caused by rainfall events of high volume or duration for the temporary storage of process wastewater to avoid discharges to surface waters of the state, which process wastewater must be removed from the temporary storage area as expeditiously as possible,

but not to exceed 120 days after each emergency.



HB 1363 2003

(f) "Process wastewater" means any water that, during manufacturing or processing, comes into direct contact with or results from the production or use of any raw material, intermediate product, finished product, byproduct, or waste product, along with any leachate or runoff from the phosphogypsum stack system. This term does not include contaminated nonprocess wastewater as that term is defined in 40 C.F.R. part 418.11(c).

- (2) REGULATORY PROGRAM. --
- (a) It is the intent of the Legislature that the department develop a program for the sound and effective regulation of phosphogypsum stack systems in the state.
- (b) The department shall adopt rules that prescribe acceptable construction designs for new or expanded phosphogypsum stack systems and that prescribe permitting criteria for operation, closure criteria, long-term-care requirements, and closure financial responsibility requirements for phosphogypsum stack systems.
- (3) FINANCIAL RESPONSIBILITY REQUIREMENTS FOR MINING ACTIVITY AND PHOSPHOGYPSUM STACK SYSTEMS.--
- (a) On or before August 1, 2003, there shall be filed with the department a surety bond in an amount equal to the cost of closure of all existing mines and phosphogypsum stack systems including the cost of disposal of all process water for each permitted, exempt, existing, and approved phosphate mine and phosphogypsum stack system. For all new mining activity, phosphogypsum stack systems and expansions of existing activities and existing phosphogypsum stack systems approved or permitted after January 1, 2002, in order to receive a permit or approval, owners or operators shall provide financial



HB 1363 2003

responsibility in the form of a surety bond in favor of the department that covers the cost of closure for the phosphogypsum stack system, all mining activities and all reclamation. Cost of closure shall include, but not be limited to:

- 1. The cost of treatment and appropriate disposal of all process wastewater, both ponded and pore, in the system;
- 2. All construction work necessary to properly close the system in accordance with department rules; and
- 3. All costs associated with long-term care of the closed system, all mining activities, and all reclamation, including maintenance and monitoring, in accordance with department rules.
  - (4)<del>(3)</del> ABATEMENT OF IMMINENT HAZARD. --
- (a) The department may take action to abate or substantially reduce any imminent hazard caused by the physical condition, maintenance, operation, or closure of a phosphogypsum stack system.
- (b) An imminent hazard exists if the physical condition, maintenance, operation, or closure of a phosphogypsum stack system creates an immediate and substantial danger to human health, safety, or welfare or to the environment. A phosphogypsum stack system is presumed not to cause an imminent hazard if the physical condition and operation of the system are in compliance with all applicable department rules.
- (c) If the department determines that the physical condition, maintenance, operation, or closure of a phosphogypsum stack system poses an imminent hazard, the department shall request access to the property on which such stack system is located from the owner or operator of the stack system for the purposes of taking action to abate or substantially reduce the imminent hazard. If the department, after reasonable effort, is



HB 1363 2003

unable to timely obtain the necessary access to abate or substantially reduce the imminent hazard, the department may institute action in its own name, using the procedures and remedies of s. 403.121 or s. 403.131, to abate or substantially reduce an imminent hazard. Whenever serious harm to human health, safety, or welfare, to the environment, or to private or public property may occur prior to completion of an administrative hearing or other formal proceeding that might be initiated to abate the risk of serious harm, the department may obtain from the court, ex parte, an injunction without paying filing and service fees prior to the filing and service of process.

- (d) To abate or substantially reduce an imminent hazard, the department may take any appropriate action, including, but not limited to, using employees of the department or contracting with other state or federal agencies, with private third-party contractors, or with the owner or operator of the stack system, or financing, compensating, or funding a receiver, trustee, or owner of the stack system, to perform all or part of the work.
- (e) The department shall recover from the owner or operator of the phosphogypsum stack system to the use of the Nonmandatory Land Reclamation Trust Fund all moneys expended from the fund, including funds expended prior to the effective date of this section, to abate an imminent hazard posed by the phosphogypsum stack system plus a penalty equal to an amount calculated at 30 percent of such funds expended. This penalty shall be imposed annually, and prorated from the date of payment from the fund until the expended funds and the penalty are repaid. If the department prevails in any action to recover funds pursuant to this subsection, it may recover reasonable



HB 1363 2003

attorney's fees and costs incurred. Phosphogypsum may not be deposited on a stack until all moneys expended from the fund in connection with the stack have been repaid, unless the department determines that such placement is necessary to abate or avoid an imminent hazard or unless otherwise authorized by the department.

- (f) The department may impose a lien on the real property on which the phosphogypsum stack system that poses an imminent hazard is located and on the real property underlying and other assets located at associated phosphate fertilizer production facilities equal in amount to the moneys expended from the Nonmandatory Land Reclamation Trust Fund pursuant to paragraph (d), including attorney's fees and court costs. The owner of any property on which such a lien is imposed is entitled to a release of the lien upon payment to the department of the lien amount. The lien imposed by this section shall have does not take priority over any other prior perfected lien on the real property, personal property, or other assets referenced in this paragraph, including, but not limited to, the associated phosphate rock mine and reserves.
  - (5)<del>(4)</del> REGISTRATION FEES.--
- (a)1. The owner or operator of each existing phosphogypsum stack who has not provided a performance bond, letter of credit, trust fund agreement, or closure insurance to demonstrate financial responsibility for closure and long-term care shall pay to the department a fee as set forth in this paragraph. All fees shall be deposited in the Nonmandatory Land Reclamation Trust Fund.



HB 1363 2003

- 2. The amount of the fee for each existing stack shall be \$75,000 for each of the five 12-month periods following July 1, 2001.
- 3. The amount of the fee for any new stack for which the owner or operator has not provided a performance bond, letter of credit, trust fund agreement, or closure insurance to demonstrate financial responsibility for closure and long-term care shall be \$75,000 for each of the five 12-month periods following the issuance by the department of a construction permit for that stack.
- 4. Within 30 days after a phosphogypsum stack has been certified as closed pursuant to rule 62-673.620(2) and (3), Florida Administrative Code, the department shall refund to the owner of the closed phosphogypsum stack an amount from the Nonmandatory Land Reclamation Trust Fund equal to the total amount of fee payments made by the owner or operator to the fund in connection with the closed phosphogypsum stack, except that any refund becoming payable prior to July 1, 2009, shall be paid to the owner on or after that date.
- (b) On or before August 1 of each year, the department shall provide written notice to each owner of an existing stack of any fee payable for the 12-month period commencing on the immediately preceding July 1. Each owner shall remit the fee to the department on or before August 31 of each year.

## (6)<del>(5)</del> CLOSURE OF ABANDONED SYSTEMS. --

(a) The department may expend money from the Nonmandatory Land Reclamation Trust Fund to take all steps necessary to close a phosphogypsum stack system and to carry out postclosure care in accordance with department rules in effect as of the date of commencement of closure activities, subject to the conditions



HB 1363 2003

set forth in this subsection. To accomplish such closure and postclosure care, the department may take any appropriate action, including, but not limited to, using employees of the department or by contracting with other state or federal agencies, with private third-party contractors, or with the owner or operator of the stack system, to perform all or part of the work.

- (b) The department may close a phosphogypsum stack system through agreement with the owner or by court order. In determining whether closure is appropriate, the court shall consider whether closing the stack will protect human health, safety, or welfare or the environment; the useful life of the stack; the effect of delaying closure on the stability of the fund; the likelihood that the stack will be operated again; and any other relevant factors. If the court finds that closure is appropriate, the court may appoint a receiver to oversee the closure or shall authorize department employees, agents, and contractors to enter all land owned by the owner of the phosphogypsum stack system for the performance of closure and postclosure activities.
- on which a closed phosphogypsum stack system is located and on the real property underlying and other assets located at its formerly associated phosphate fertilizer production facilities equal in amount to the moneys expended from the Nonmandatory Land Reclamation Trust Fund pursuant to this subsection for closure and postclosure care. The owner of any property on which such a lien is imposed is entitled to a release of the lien upon payment to the department of the lien amount and execution of an agreement to carry out postclosure care in accordance with



475

476

477

478

479

480

481

482

483 484

485

486

487

488

489

490

491

492

493

494

495

496

497

498 499

500

501

502

HB 1363 2003

applicable department rules. The lien imposed by this section shall have does not take priority over any other prior perfected lien on the real property, personal property, or other assets referenced in this paragraph, including, but not limited to, the associated phosphate rock mine and reserves.

Section 4. Section 403.4155, Florida Statutes, is amended to read:

403.4155 Phosphogypsum management; rulemaking authority.--

The Department of Environmental Protection shall adopt rules to amend existing chapter 62-672, Florida Administrative Code, to ensure that impoundment structures and water conveyance piping systems used in phosphogypsum management are designed and maintained to meet critical safety standards. The rules must require that any impoundment structure used in a phosphogypsum stack system, together with all pumps, piping, ditches, drainage conveyances, water control structures, collection pools, cooling ponds, surge ponds, and any other collection or conveyance system associated with phosphogypsum transport, cooling water, or the return of process wastewater, is constructed using sound engineering practices and is operated to avoid spills or discharges of materials which adversely affect surface or ground waters. The rules must require that a phosphogypsum stack system owner maintain a log detailing the owner's operating inspection schedule, results, and any corrective action taken based on the inspection results. The rules must require phosphogypsum stack owners to maintain an emergency contingency plan and demonstrate the ability to mobilize equipment and manpower to respond to emergency situations at phosphogypsum stack systems. The rules must establish a reasonable time period not to exceed 12 months



HB 1363 for facilities to meet the provisions of the rules adopted pursuant to this section.

(2) By January 31, 2002, the department shall review chapter 62-673, Florida Administrative Code, to determine the adequacy of the financial responsibility provisions contained in the rules and shall take any measures necessary to ensure that the rules provide sound and effective provisions to minimize risk to the environment and to public health and safety from the business failure of a phosphogypsum stack system.

Section 5. If any provision of this act or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared severable.

Section 6. This act shall take effect upon becoming a law.