2003

HB 0093B

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A bill to be entitled

An act relating to phosphate mining; amending s. 211.3103, 2 F.S.; revising the tax on phosphate rock; providing for 3 4 the distribution of tax proceeds; deleting obsolete language; amending s. 378.021, F.S.; directing the 5 Department of Environmental Protection to amend the master б reclamation plan; amending s. 378.031, F.S.; providing 7 additional intent concerning reclamation activities; 8 amending s. 378.035, F.S.; amending authorized uses of 9 funds deposited in the Nonmandatory Land Reclamation Trust 10 11 Fund; removing requirements for a reserve; limiting reclamation expenditures for fiscal year 2003-2004; 12 amending s. 378.036, F.S.; creating a not-for-profit 13 partnership to assist in phosphate reclamation; providing 14 duties of the partnership; providing for the 15 administration of partnership funds; providing an 16 appropriation; amending s. 378.212; providing authority 17 for a variance for certain reclamation activities; 18 amending s. 378.404, F.S.; allowing variances for water 19 supply development; amending s. 403.4154, F.S.; providing 20 criminal penalties for certain violations; prohibiting the 21 distribution of certain company assets under certain 22 circumstances; providing for the declaration of an 23 imminent hazard if certain financial conditions exist; 24 providing limited liability for entities assisting in the 25 26 abatement of imminent hazards; amending a provision granting certain rebates of phosphate fees; amending s. 27 403.4155, F.S.; directing that rules be developed for 2.8 financial assurance, interim stack management, and stack 29 closure; requiring the Department of Environmental 30

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31	Protection to conduct a study; providing funds for the
32	study; providing for the transfer of certain funds from
33	the Nonmandatory Land Reclamation Trust Fund to the
34	General Revenue Fund; providing for the funding of a study
35	by the Florida Institute of Phosphate Research; providing
36	for construction of the act in pari materia with laws
37	enacted during the 2003 Regular Session or the 2003
38	Special Session A of the Legislature; providing an
39	effective date.
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41	Be It Enacted by the Legislature of the State of Florida:
42	
43	Section 1. Section 211.3103, Florida Statutes, is amended
44	to read:
45	211.3103 Levy of tax on severance of phosphate rock; rate,
46	basis, and distribution of tax
47	(1) There is hereby levied an excise tax upon every person
48	engaging in the business of severing phosphate rock from the
49	soils or waters of this state for commercial use. The tax shall
50	be collected, administered, and enforced by the department.
51	(2) Beginning July 1, 2003, the proceeds of all taxes,
52	interest, and penalties imposed under this section shall be paid
53	into the State Treasury as follows:
54	(a) The first \$10 million in revenue collected from the
55	tax during each fiscal year shall be paid to the credit of the
56	Conservation and Recreation Lands Trust Fund.
57	(b) The remaining revenues collected from the tax during
58	that fiscal year, after the required payment under paragraph
59	(a), shall be paid into the State Treasury as follows:
60	1. For payment to counties in proportion to the number of
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61	tons of phosphate rock produced from a phosphate rock matrix
62	located within such political boundary, 18.75 percent. The
63	department shall distribute this portion of the proceeds
64	annually based on production information reported by the
65	producers on the annual returns for the taxable year. Any such
66	proceeds received by a county shall be used only for phosphate-
67	related expenses.
68	2. For payment to counties that have been designated a
69	Rural Area of Critical Economic Concern pursuant to s. 288.0656
70	in proportion to the number of tons of phosphate rock produced
71	from a phosphate rock matrix located within such political
72	boundary, 15 percent. The department shall distribute this
73	portion of the proceeds annually based on production information
74	reported by the producers on the annual returns for the taxable
75	year.
76	3. To the credit of the Phosphate Research Trust Fund in
77	the Department of Education, Division of Universities, 11.25
78	percent.
79	4. To the credit of the Minerals Trust Fund, 11.25
80	percent.
81	5. To the credit of the Nonmandatory Land Reclamation
82	Trust Fund, 43.75 percent.
83	(3) Beginning July 1, 2004, the proceeds of all taxes,
84	interest, and penalties imposed under this section shall be paid
85	into the State Treasury as follows:
86	(a) The first \$10 million in revenue collected from the
87	tax during each fiscal year shall be paid to the credit of the
88	Conservation and Recreation Lands Trust Fund.
89	(b) The remaining revenues collected from the tax during
90	that fiscal year, after the required payment under paragraph
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91	(a), shall be paid into the State Treasury as follows:
92	1. To the credit of the General Revenue Fund of the state,
93	41 percent.
94	2. For payment to counties in proportion to the number of
95	tons of phosphate rock produced from a phosphate rock matrix
96	located within such political boundary, 16.5 percent. The
97	department shall distribute this portion of the proceeds
98	annually based on production information reported by the
99	producers on the annual returns for the taxable year. Any such
100	proceeds received by a county shall be used only for phosphate-
101	related expenses.
102	3. For payment to counties that have been designated a
103	Rural Area of Critical Economic Concern pursuant to s. 288.0656
104	in proportion to the number of tons of phosphate rock produced
105	from a phosphate rock matrix located within such political
106	boundary, 13 percent. The department shall distribute this
107	portion of the proceeds annually based on production information
108	reported by the producers on the annual returns for the taxable
109	year. Payments under this subparagraph shall be made to the
110	counties unless the Legislature by special act creates a local
111	authority to promote and direct the economic development of the
112	county. If such authority exists, payments shall be made to that
113	authority.
114	4. To the credit of the Phosphate Research Trust Fund in
115	the Department of Education, Division of Universities, 9
116	percent.
117	5. To the credit of the Minerals Trust Fund, 9 percent.
118	6. To the credit of the Nonmandatory Land Reclamation
119	Trust Fund, 11.5 percent.
120	(4) Beginning July 1, 2003, and annually thereafter, the
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121	Department of Environmental Protection may utilize up to \$2
122	million of the funds in the Nonmandatory Land Reclamation Trust
123	Fund to purchase a surety bond or a policy of insurance, the
124	proceeds of which would pay the cost of restoration,
125	reclamation, and cleanup of any phosphogypsum stack system and
126	phosphate mining activities in the event that an operator or
127	permittee thereof has been subject to a final order of
128	bankruptcy and all funds available therefrom are determined to
129	be inadequate to accomplish such restoration, reclamation, and
130	cleanup. Nothing in this section shall be construed to imply
131	that such operator or permittee is thereby relieved of its
132	obligations or relieved of any liabilities pursuant to any other
133	remedies at law, administrative remedies, statutory remedies, or
134	remedies pursuant to bankruptcy law. The department shall adopt
135	rules to implement the provisions of this paragraph, including
136	the purchase and oversight of the bond or policy.
137	(5) Funds distributed pursuant to subparagraphs (2)(b)2.
138	and (3)(b)3. shall be used for the following purposes:
139	1. For planning, preparing, and financing of
140	infrastructure projects for job creation and capital investment,
141	especially those related to industrial and commercial sites.
142	Infrastructure investments may include the following public or
143	public-private partnership facilities: stormwater systems;
144	telecommunications facilities; roads or other remedies to
145	transportation impediments; nature-based tourism facilities; or
146	other physical requirements necessary to facilitate trade and
147	economic development activities.
148	2. For maximizing the use of federal, local, and private
149	resources, including, but not limited to, those available under
150	the Small Cities Community Development Block Grant Program.
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151	3. For projects that improve inadequate infrastructure
152	that has resulted in regulatory action that prohibits economic
153	or community growth, provided that such projects are related to
154	specific job creation or job retention opportunities.
155	(6) Beginning January 1, 2004, the tax rate shall be the
156	base rate of \$1.62 per ton severed.
157	(7) Beginning January 1, 2005, and annually thereafter,
158	the tax rate shall be the base rate times the base rate
159	adjustment for the tax year as calculated by the department in
160	accordance with subsection (8).
161	(2) The proceeds of all taxes, interest, and penalties
162	imposed under this section shall be paid into the State Treasury
163	through June 30, 1995, as follows:
164	(a) The first \$10 million in revenue collected from the
165	tax during each fiscal year shall be paid to the credit of the
166	Conservation and Recreation Lands Trust Fund.
167	(b) The remaining revenues collected from the tax during
168	that fiscal year, after the required payment under paragraph
169	(a), shall be paid into the State Treasury as follows:
170	1. To the credit of the General Revenue Fund of the state,
171	60 percent. However, from this amount the amounts of \$7.4
172	million, \$8.2 million, and \$8.1 million, respectively, shall be
173	transferred to the Nonmandatory Land Reclamation Trust Fund on
174	January 1, 1993, January 1, 1994, and January 1, 1995.
175	2. To the credit of the Nonmandatory Land Reclamation
176	Trust Fund which is established for reclamation and acquisition
177	of unreclaimed lands disturbed by phosphate mining and not
178	subject to mandatory reclamation, 20 percent.
179	3. To the credit of the Phosphate Research Trust Fund in
180	the Department of Education, Division of Universities, to carry
ı (Page 6 of 32 CODING: Words stricken are deletions: words underlined are additions

HB 0093B 2003 out the purposes set forth in s. 378.101, 10 percent. 181 4. For payment to counties in proportion to the number of 182 tons of phosphate rock produced from a phosphate rock matrix 183 located within such political boundary, 10 percent. The 184 department shall distribute this portion of the proceeds 185 annually based on production information reported by producers 186 on the annual returns for the taxable year. Any such proceeds 187 received by a county shall be used only for phosphate-related 188 189 expenses. (3) Beginning July 1, 1995, the proceeds of all taxes, 190 191 interest, and penalties imposed under this section shall be paid into the State Treasury as follows: 192 (a) The first \$10 million in revenue collected from the 193 194 tax during each fiscal year shall be paid to the credit of the Conservation and Recreation Lands Trust Fund. 195 (b) The remaining revenues collected from the tax during 196 that fiscal year, after the required payment under paragraph 197 (a), shall be paid into the State Treasury as follows: 198 1. To the credit of the General Revenue Fund of the state, 199 58 percent. 200 To the credit of the Nonmandatory Land Reclamation 201 2 Trust Fund for reclamation and acquisition of unreclaimed lands 202 disturbed by phosphate mining and not subject to mandatory 203 reclamation, 14.5 percent. 204 3. To the credit of the Phosphate Research Trust Fund in 205 the Department of Education, Division of Universities, to carry 206 out the purposes set forth in s. 378.101, 10 percent. 207 4. For payment to counties in proportion to the number of 208 209 tons of phosphate rock produced from a phosphate rock matrix located within such political boundary, 10 percent. The 210 Page 7 of 32

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211	department shall distribute this portion of the proceeds
212	annually based on production information reported by producers
213	on the annual returns for the taxable year. Any such proceeds
214	received by a county shall be used only for phosphate-related
215	expenses.
216	5. To the credit of the Minerals Trust Fund, 7.5 percent.
217	(4) If the base rate is reduced pursuant to paragraph
218	(5)(c), then the proceeds of the tax shall be paid into the
219	State Treasury as follows:
220	(a) The first \$10 million in revenue collected from the
221	tax during each fiscal year shall be paid to the credit of the
222	Conservation and Recreation Lands Trust Fund.
223	(b) The remaining revenues collected from the tax during
224	that fiscal year, after the required payment under paragraph
225	(a), shall be paid into the State Treasury as follows:
226	1. To the credit of the General Revenue Fund of the state,
227	55.15 percent.
228	2. To the credit of the Phosphate Research Trust Fund in
229	the Department of Education, Division of Universities, 12.5
230	percent.
231	3. For payment to counties in proportion to the number of
232	tons of phosphate rock produced from a phosphate rock matrix
233	located within such political boundary, 18 percent. The
234	department shall distribute this portion of the proceeds
235	annually based on production information reported by producers
236	on the annual returns for the taxable year. Any such proceeds
237	received by a county shall be used only for phosphate-related
238	expenses.
239	4. To the credit of the Minerals Trust Fund, 14.35
240	percent.
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HB 0093B 241 <u>(8)(5)</u> The excise tax levied by this section shall apply 242 to the total production of the producer during the taxable year, 243 measured on the basis of bone-dry tons produced at the point of 244 severance<u>.</u>, subject to the following rates:

245 (a) Beginning July 1, 1987, to December 31, 1987, the tax
 246 rate shall be \$1.79 per ton severed.

(b) For 1988, the tax rate shall be the base rate of \$1.35
 per ton severed.

(c) For 1989 and subsequent years, the tax rate shall be the base rate times the base rate adjustment for the tax year as calculated by the department in accordance with subsection (6). However, for 2000 and subsequent taxable years, the base rate shall be reduced by 20 percent, unless additional funding of the Nonmandatory Land Reclamation Trust Fund is approved by law.

255 <u>(9)(6)(a)</u> On or before March 30, 2004 1989, and annually 256 thereafter, the department shall calculate the base rate 257 adjustment, if any, for phosphate rock based on the change in 258 the unadjusted annual producer price index for the prior 259 calendar year in relation to the unadjusted annual producer 260 price index for calendar year 1999 1987.

(b) For the purposes of determining the base rate adjustment for any year, the base rate adjustment shall be a fraction, the numerator of which is the unadjusted annual producer price index for the prior calendar year and the denominator of which is the unadjusted annual producer price index for calendar year <u>1999</u> 1987.

(c) The department shall provide the base rate, the base
rate adjustment, and the resulting tax rate to affected
producers by written notice on or before April 15 of the current
year.

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If the producer price index for chemical and 271 (d) fertilizer mineral mining phosphate rock primary products is 272 substantially revised, the department shall make appropriate 273 adjustment in the method used to compute the base rate 274 adjustment under this subsection which will produce results 275 reasonably consistent with the result which would have been 276 obtained if the producer price index for phosphate rock primary 277 products had not been revised. However, the tax rate shall not 278 be less than \$1.56 per ton severed. 279

(e) In the event the producer price index for phosphate
rock primary products is discontinued, then a comparable index
shall be selected by the department and adopted by rule.

283 (10)(7) The excise tax levied on the severance of 284 phosphate rock shall be in addition to any ad valorem taxes 285 levied upon the separately assessed mineral interest in the real 286 property upon which the site of severance is located, or any 287 other tax, permit, or license fee imposed by the state or its 288 political subdivisions.

289 (11)(8) The tax levied by this section shall be collected 290 in the manner prescribed in s. 211.33.

291 Section 2. Section 378.021, Florida Statutes, is amended 292 to read:

293

378.021 Master reclamation plan.--

(1) The Department of <u>Environmental Protection</u> Natural
Resources shall <u>amend the</u> adopt by rule, as expeditiously as
possible upon receipt of the report of the Land Use Advisory
Committee, a master reclamation plan <u>that provides</u> to provide
guidelines for the reclamation of lands mined or disturbed by
the severance of phosphate rock prior to July 1, 1975, which
lands are not subject to mandatory reclamation under part II of

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(2) The <u>amended</u> master reclamation plan shall identify
which of the lands mined or disturbed by the severance of
phosphate rock prior to July 1, 1975, meet the following
criteria:

(a) The quality of surface waters leaving the land does
not meet applicable water quality standards, if any; or, health
and safety hazards exist on the land; or, the soil has not
stabilized and revegetated; or, the remaining natural resources
associated with the land are not being conserved;

(b) The environmental or economic utility or aesthetic value of the land would not naturally return within a reasonable time, and reclamation would substantially promote the environmental or economic utility or the aesthetic value of the land; and

329 (c) The reclamation of the land is in the public interest330 because the reclamation, when combined with other reclamation

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HB 0093B 2003 331 under the master plan, would provide a substantial regional 332 benefit<u>; and</u>.

(d) The reclamation of the land is in the public interest
 because the reclamation, when combined with other reclamation
 under the master plan, will provide significant benefits to
 surface water bodies supplying water for environmental and
 public purposes in those areas of the state where phosphate
 mining has been permitted.

(3) Lands evaluated by the department under subsection (1)
which meet the criteria set forth in subsection (2) shall be
identified with specificity in the master reclamation plan.
Lands evaluated by the department under subsection (1) which do
not meet the criteria set forth in subsection (2) shall also be
identified with specificity in the master reclamation plan as
lands which are acceptable in their present form.

Upon adoption of the amendments to the master (4) 346 reclamation plan as a rule, such plan shall provide the 347 guidelines for approval of reclamation programs for lands 348 covered in the plan, recognizing that reclamation of such lands 349 is not mandatory, but that any payment of costs expended for 350 reclamation paid under s. 378.031 shall be contingent upon 351 conformity with the quidelines set forth in the master 352 reclamation plan. 353

354 Section 3. Section 378.031, Florida Statutes, is amended 355 to read:

356 378.031 Reclamation or acquisition of nonmandatory lands; 357 legislative intent.--It is the intent of the Legislature to 358 provide an economic incentive to encourage the reclamation of 359 the maximum number of acres of eligible nonmandatory lands in 360 the most timely and efficient manner or the donation or purchase Page 12 of 32

HB 0093B 2003 of nonmandatory lands, especially those lands for which 361 reclamation activities will result in significant improvements 362 to surface water bodies of regional importance in those areas of 363 the state where phosphate mining has been permitted. 364 The Legislature recognizes that certain lands mined or disturbed 365 prior to July 1, 1975, have been naturally reclaimed. 366 Section 4. Subsections (5), (6), (7), (8), and (9) of 367 section 378.035, Florida Statutes, are amended to read: 368 378.035 Department responsibilities and duties with 369 respect to Nonmandatory Land Reclamation Trust Fund .--370 On July 1, 2001, \$50 million of the unencumbered Funds 371 (5) within the Nonmandatory Land Reclamation Trust Fund are also 372 authorized reserved for use by the department for the following 373 purposes: -374 (a) These reserved moneys are to be used To reclaim lands 375 disturbed by the severance of phosphate rock on or after July 1, 376 1975, in the event that a mining company ceases mining and the 377 associated reclamation prior to all lands disturbed by the 378 operation being reclaimed. Moneys expended by the department to 379 accomplish reclamation pursuant to this subsection shall become 380 a lien upon the property enforceable pursuant to chapter 85. The 381 moneys received as a result of a lien foreclosure or as 382 repayment shall be deposited into the trust fund. In the event 383 the money received as a result of lien foreclosure or repayment 384 is less than the amount expended for reclamation, the department 385 shall use all means available to recover, for the use of the 386 fund, the difference from the affected parties. Paragraph (3)(b) 387 shall apply to lands acquired as a result of a lien foreclosure. 388 389 The department may also expend funds from the \$50 (b) 390

million reserve fund For the abatement of an imminent hazard as

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HB 0093B 2003 391 provided by s. 403.4154(3) and for the purpose of closing an abandoned phosphogypsum stack system and carrying out 392 postclosure care as provided by s. 403.4154(5). Fees deposited 393 394 in the Nonmandatory Land Reclamation Trust Fund pursuant to s. 403.4154(4) may be used for the purposes authorized in this 395 paragraph. However, such fees may only be used at a stack system 396 if closure or imminent-hazard-abatement activities initially 397 commence on or after July 1, 2002. 398

399 <u>(c)(6)(a) Up to one-half of the interest income accruing</u> 400 to the funds reserved by subsection (5) shall be available to 401 the department annually For the purpose of funding basic 402 management or protection of reclaimed, restored, or preserved 403 phosphate lands:

404 1. Which have wildlife habitat value as determined by the405 Bureau of Mine Reclamation;

2. Which have been transferred by the landowner to a public agency or a private, nonprofit land conservation and management entity in fee simple, or which have been made subject to a conservation easement pursuant to s. 704.06; and

410 3. For which other management funding options are not411 available.

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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.

417 <u>(d)(b)</u> Up to one-half of the interest income accruing to 418 the funds reserved by subsection (5) shall be available to the 419 department annually For the sole purpose of funding the 420 department's implementation of:

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HB 0093B 2003 The NPDES permitting program authorized by s. 403.0885, 421 1. as it applies to phosphate mining and beneficiation facilities, 422 phosphate fertilizer production facilities, and phosphate 423 loading and handling facilities; 424 The regulation of dams in accordance with department 2. 425 rule 62-672, Florida Administrative Code; and 426 The phosphogypsum management program pursuant to s. 427 3. 403.4154 and department rule 62-673, Florida Administrative 428 Code. 429 430 431 On or before August 1 of each fiscal year, the department shall prepare a report presenting the expenditures using the interest 432 income allocated by this section made by the department during 433 the immediately preceding fiscal year, which report shall be 434 available to the public upon request. 435 Should the nonmandatory land reclamation program (6)(7) 436 encumber all the funds in the Nonmandatory Land Reclamation 437 Trust Fund except those reserved by subsection (5) prior to 438 funding all the reclamation applications for eligible parcels, 439 the funds reserved by subsection (5) shall be available to the 440 program to the extent required to complete the reclamation of 441 all eligible parcels for which the department has received 442 applications. 443 (7) (8) The department may not accept any applications for 444 nonmandatory land reclamation programs after July 1, 2004 445 November 1, 2008. 446 (8)(9) The Bureau of Mine Reclamation shall review the 447 sufficiency of the Nonmandatory Land Reclamation Trust Fund to 448 support the stated objectives and report to the secretary 449 annually with recommendations as appropriate. The report 450 Page 15 of 32

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451	submittal for calendar year 2008 shall specifically address the
452	effect of providing a future refund of fees paid pursuant to s.
453	403.4154(4) following certification of stack closure pursuant to
454	department rules, and the report shall be submitted to the
455	Governor, the President of the Senate, and the Speaker of the
456	House of Representatives on or before March 1, 2009.
457	
458	For the 2003-2004 fiscal year the department may not approve or
459	encumber nonmandatory reclamation projects in amounts greater
460	than \$15 million.
461	Section 5. Subsection (6) is added to section 378.036,
462	Florida Statutes, to read:
463	378.036 Land acquisitions financed by Nonmandatory Land
464	Reclamation Trust Fund moneys
465	(6)(a) By January 1, 2004, or within 6 months from the
466	date funds become available from the Legislature, whichever is
467	later, the Florida Wildlife Federation, Audubon Florida, and
468	Rails-to-Trails Conservancy in partnership with the Florida
469	Phosphate Council are authorized to form a nonprofit corporation
470	pursuant to chapter 617 for the purpose of implementing the
471	provisions of this section by creating plans and assisting in
472	the development of recreational opportunities on lands mined for
473	phosphate in the state. The first plans shall concentrate on
474	recreational activities in Hardee and Hamilton Counties which
475	will assist them in rural economic development.
476	(b) The board of directors of the corporation shall be
477	composed of three members, one designated by the Florida
478	Phosphate Council, one as the designee of the Florida Wildlife
479	Federation, Audubon Florida, and Rails-to-Trails Conservancy,
480	and the third chosen by the other two designees.

HB 0093B 2003 481 (C) The business of the corporation shall be conducted by the board of directors or a chief executive officer as the board 482 shall see fit in accordance with the provisions of its articles 483 of incorporation and applicable law. The activities of the 484 corporation shall be coordinated with all landowners who have 485 voluntarily agreed to participate in the process as well as any 486 local government where such lands are recorded. 487 (d) An annual report of the activities of the corporation, 488 including a certified audit, shall be presented to the Secretary 489 of Environmental Protection or his or her designee by October 31 490 491 of each year following incorporation. (e) The corporation shall dissolve on January 1, 2009, 492 493 unless dissolved previously by action of its board of directors 494 or extended by the Legislature. Upon dissolution, any moneys remaining in the accounts of the corporation that are 495 unobligated shall be returned to the funds from which they were 496 appropriated in proportion to the amount contributed. All 497 tangible assets of the corporation at dissolution which were 498 acquired using state funding shall become the property of the 499 Department of Environmental Protection. 500 (f) For fiscal year 2003-2004, the sum of \$200,000 shall 501 be appropriated from the Nonmandatory Land Reclamation Trust 502 Fund to the non-profit corporation specified hereinabove for the 503 purpose of creating plans and assisting in the development of 504 recreational opportunities on lands mined for phosphate in the 505 506 state. Section 6. Subsection (1) of section 378.212, Florida 507 Statutes, is amended to read: 508 509 378.212 Variances.--Upon application, the secretary may grant a variance 510 (1)

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from the provisions of this part or the rules adopted pursuant
thereto. Variances and renewals thereof may be granted for any
one of the following reasons:
(a) There is no practicable means known or available to
comply with the provisions of this part or the rules adopted
pursuant thereto.

(b) Compliance with a particular requirement or
requirements from which a variance is sought will necessitate
the taking of measures which must be spread over a considerable
period of time. A variance granted for this reason shall
prescribe a timetable for the taking of the measures required.

(c) To relieve or prevent hardship, including economic
hardship, of a kind other than those provided for in paragraphs
(a) and (b).

(d) To accommodate specific phosphate mining, processing
or chemical plant uses that otherwise would be inconsistent with
the requirements of this part.

(e) To provide for an experimental technique that wouldadvance the knowledge of reclamation and restoration methods.

(f) To accommodate projects, including those proposing
offsite mitigation, that provide a significant regional benefit
for wildlife and the environment.

To accommodate reclamation that provides water supply 533 (g) development or water resource development not inconsistent with 534 the applicable regional water supply plan approved pursuant to 535 s. 373.0361, provided adverse impacts are not caused to the 536 water resources in the basin. A variance may also be granted 537 from the requirements of part IV of chapter 373, or the rules 538 adopted thereunder, when a project provides an improvement in 539 water availability in the basin and does not cause adverse 540

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541	impacts to water resources in the basin.
542	Section 7. Subsection (9) is added to section 378.404,
543	Florida Statutes, to read:
544	378.404 Department of Environmental Protection; powers and
545	dutiesThe department shall have the following powers and
546	duties:
547	(9) To grant variances from the provisions of this part to
548	accommodate reclamation that provides for water supply
549	development or water resource development not inconsistent with
550	the applicable regional water supply plan approved pursuant to
551	s. 373.0361, appropriate stormwater management, improved
552	wildlife habitat, recreation, or a mixture thereof, provided
553	adverse impacts are not caused to the water resources in the
554	basin and public health and safety are not adversely affected.
555	Section 8. Subsections (2) , (3) , and (4) of section
556	403.4154, Florida Statutes, are amended to read:
557	403.4154 Phosphogypsum management program
558	(2) REGULATORY PROGRAM
559	(a) It is the intent of the Legislature that the
560	department develop a program for the sound and effective
561	regulation of phosphogypsum stack systems in the state.
562	(b) The department shall adopt rules that prescribe
563	acceptable construction designs for new or expanded
564	phosphogypsum stack systems and that prescribe permitting
565	criteria for operation, closure criteria, long-term-care
566	requirements, and closure financial responsibility requirements
567	for phosphogypsum stack systems.
568	(c) Whoever willfully, knowingly, or with reckless
569	indifference or gross carelessness misstates or misrepresents
570	the financial condition or closure costs of an entity engaged in

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HB 0093B 2003 571 managing, owning, or operating a phosphogypsum stack or stack system commits a felony of the third degree, punishable as 572 provided in s. 775.082 or s. 775.083 by a fine of not more than 573 \$50,000 and by imprisonment for 5 years for each offense. 574 (d) In the event that an owner or operator of a 575 phosphogypsum stack or stack system fails to comply with 576 department rules requiring demonstration of closure financial 577 responsibility, no distribution may be made that would be 578 prohibited under s. 607.06401(3), until the noncompliance is 579 corrected. Whoever willfully, knowingly, or with reckless 580 581 indifference or gross carelessness violates this prohibition commits a felony of the third degree, punishable as provided in 582 583 s. 775.082 or s. 775.083 by a fine of not more than \$50,000 or by imprisonment for 5 years for each offense. 584

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(3) 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.

597 (c) The failure of an owner or operator of a phosphogypsum
 598 stack system to comply with department rules requiring
 599 demonstration of closure financial responsibility may be
 600 considered by the department as evidence that a phosphogypsum

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HB 0093B 2003 601 stack poses an imminent hazard for purposes of initiating actions authorized by paragraph (d). 602 (d) (d) (e) If the department determines that the failure of an 603 604 owner or operator to comply with department rules requiring demonstration of financial responsibility or that the physical 605 condition, maintenance, operation, or closure of a phosphogypsum 606 stack system poses an imminent hazard, the department shall 607 request access to the property on which such stack system is 608 located from the owner or operator of the stack system for the 609 purposes of taking action to abate or substantially reduce the 610 611 imminent hazard. If the department, after reasonable effort, is unable to timely obtain the necessary access to abate or 612 substantially reduce the imminent hazard, the department may 613 institute action in its own name, using the procedures and 614 remedies of s. 403.121 or s. 403.131, to abate or substantially 615 reduce an imminent hazard. Whenever serious harm to human 616 health, safety, or welfare, to the environment, or to private or 617 public property may occur prior to completion of an 618 administrative hearing or other formal proceeding that might be 619 initiated to abate the risk of serious harm, the department may 620 obtain from the court, ex parte, an injunction without paying 621 filing and service fees prior to the filing and service of 622 process. 623

(e)(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

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HB 0093B 631 or part of the work.

(f) (e) The department shall recover from the owner or 632 operator of the phosphogypsum stack system to the use of the 633 Nonmandatory Land Reclamation Trust Fund all moneys expended 634 from the fund, including funds expended prior to the effective 635 date of this section, to abate an imminent hazard posed by the 636 phosphogypsum stack system plus a penalty equal to an amount 637 calculated at 30 percent of such funds expended. This penalty 638 shall be imposed annually, and prorated from the date of payment 639 from the fund until the expended funds and the penalty are 640 641 repaid. If the department prevails in any action to recover funds pursuant to this subsection, it may recover reasonable 642 attorney's fees and costs incurred. Phosphogypsum may not be 643 deposited on a stack until all moneys expended from the fund in 644 connection with the stack have been repaid, unless the 645 department determines that such placement is necessary to abate 646 or avoid an imminent hazard or unless otherwise authorized by 647 the department. 648

(q) (f) The department may impose a lien on the real 649 property on which the phosphogypsum stack system that poses an 650 imminent hazard is located and on the real property underlying 651 and other assets located at associated phosphate fertilizer 652 production facilities equal in amount to the moneys expended 653 from the Nonmandatory Land Reclamation Trust Fund pursuant to 654 paragraph (d), including attorney's fees and court costs. The 655 owner of any property on which such a lien is imposed is 656 entitled to a release of the lien upon payment to the department 657 of the lien amount. The lien imposed by this section does not 658 take priority over any other prior perfected lien on the real 659 property, personal property, or other assets referenced in this 660 Page 22 of 32

HB 0093B 2003 661 paragraph, including, but not limited to, the associated phosphate rock mine and reserves. 662 Upon a declaration by the Governor of an environmental 663 (h) emergency concerning the abatement of a imminent hazard 664 involving a phosphogypsum stack or stack system, the state and 665 any agent under contract with the state for the provision of 666 services directly related to the abatement of such hazard shall 667 not become liable under state laws for environmental protection 668 for any costs, damages, or penalties associated with the 669 abatement of the imminent hazard. The Legislature finds that 670 671 provision of this limited immunity is in the public interest and necessary for the abatement of the imminent hazard. 672 (4) REGISTRATION FEES.--673 (a)1. The owner or operator of each existing phosphogypsum 674 stack who has not provided a performance bond, letter of credit, 675 trust fund agreement, or closure insurance to demonstrate 676

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.

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.

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Within 30 days after a phosphogypsum stack has been 691 4. certified as closed pursuant to rule 62-673.620(2) and (3), 692 Florida Administrative Code, the department shall refund to the 693 owner of the closed phosphogypsum stack an amount from the 694 Nonmandatory Land Reclamation Trust Fund equal to the total 695 amount of fee payments made by the owner or operator to the fund 696 in connection with the closed phosphogypsum stack. However, no 697 refund shall be paid until such time as the Mulberry and Piney 698 Point phosphogypsum stack systems have been closed and a 699 satisfactory reserve has been established in the Nonmandatory 700 701 Reclamation Lands Trust Fund, except that any refund becoming payable prior to July 1, 2009, shall be paid to the owner on or 702 703 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.

Section 9. Section 403.4155, Florida Statutes, is amendedto read:

711

403.4155 Phosphogypsum management; rulemaking authority.--

The Department of Environmental Protection shall adopt 712 (1)rules to amend existing chapter 62-672, Florida Administrative 713 Code, to ensure that impoundment structures and water conveyance 714 piping systems used in phosphogypsum management are designed and 715 maintained to meet critical safety standards. The rules must 716 require that any impoundment structure used in a phosphogypsum 717 stack system, together with all pumps, piping, ditches, drainage 718 conveyances, water control structures, collection pools, cooling 719 ponds, surge ponds, and any other collection or conveyance 720

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HB 0093B 2003 system associated with phosphogypsum transport, cooling water, 721 or the return of process wastewater, is constructed using sound 722 engineering practices and is operated to avoid spills or 723 discharges of materials which adversely affect surface or ground 724 waters. The rules must require that a phosphogypsum stack system 725 726 owner maintain a log detailing the owner's operating inspection schedule, results, and any corrective action taken based on the 727 inspection results. The rules must require phosphogypsum stack 728 owners to maintain an emergency contingency plan and demonstrate 729 the ability to mobilize equipment and manpower to respond to 730 emergency situations at phosphogypsum stack systems. The rules 731 must establish a reasonable time period not to exceed 12 months 732 733 for facilities to meet the provisions of the rules adopted pursuant to this section. 734

735 (2)(a) By October 1, 2003, the department shall initiate rulemaking to require that phosphogypsum stack system operation 736 plans required by department rule be amended by adding an 737 interim stack system management (ISSM) plan that provides 738 written instructions for the operation of the system assuming 739 that no phosphoric acid would be produced at the facility for a 740 2-year period. The initial ISSM plan shall be completed as of 741 the first July 1 following the adoption of the rule required by 742 this section. The ISSM plan shall include: 743

A detailed description of process water management
 procedures that will be implemented to ensure that the stack
 system operates in accordance with all applicable department
 permit conditions and rules. The procedures shall address the
 actual process water levels present at the facility 30 days
 prior to the completion of the plan and shall assume that the
 facility will receive annual average rainfall during the 2-year

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HB 0093B 2003 751 planning period. 2. A detailed description of the procedures to be followed 752 for the daily operation and routine maintenance of the stack 753 system, including required environmental sampling and analyses, 754 as well as for any maintenance or repairs recommended following 755 756 annual inspections of the system. 3. Identification of all machinery, equipment, and 757 materials necessary to implement the plan. 758 4. Identification of the sources of power or fuel 759 necessary to implement the plan. 760 761 5. Identification of the personnel necessary to implement 762 the plan. (b) The ISSM plan shall be updated annually, taking into 763 764 account process water levels as of June 1 of each year and the 765 existing stack system configuration. (c) The requirements listed in paragraphs (a) and (b) are 766 applicable to all phosphogypsum stack systems except those which 767 have been closed, which are undergoing closure, or for which an 768 application for a closure permit has been submitted pursuant to 769 department rule. 770 (3)(a) By October 1, 2003, the department shall initiate 771 rulemaking to require that general plans and schedules for the 772 closure of phosphogypsum stack systems include: 773 1. A description of the physical configuration of the 774 phosphogypsum stack system anticipated at the time of closure at 775 the end of useful life of the system. 776 2. A site-specific water management plan describing the 777 procedures to be employed at the end of the useful life of the 778 779 system to manage the anticipated volume of process water in an environmentally sound manner. 780

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781	3. An estimate of the cost of management of the
782	anticipated volume of process water in accordance with the site-
783	specific water management plan.
784	4. A description of all construction work necessary to
785	properly close the system in accordance with department rules.
786	5. An estimate of all costs associated with long-term care
787	of the closed system, including maintenance and monitoring, in
788	accordance with department rules.
789	(b) The department shall revise chapter 62-673, Florida
790	Administrative Code, to require the owner or operator of a
791	phosphogypsum stack management system to demonstrate financial
792	responsibility for the costs of terminal closure of the
793	phosphogypsum stack system in a manner that protects the public
794	health and safety.
795	1. The costs of terminal closure shall be estimated based
796	on the stack system configuration as of the end of its useful
797	life as determined by the owner or operator.
798	2. The owner or operator may demonstrate financial
799	responsibility by use of one or more of the following methods:
800	a. Bond.
801	b. Letter of credit.
802	c. Cash deposit arrangement.
803	d. Closure insurance.
804	e. Financial tests.
805	f. Corporate guarantee.
806	
807	For the purposes of this section, a "cash deposit arrangement"
808	refers to a trust fund, business or statutory trust, escrow
809	account, or similar cash deposit entity whereby a fiduciary
810	holds and invests funds deposited by the owner or operator,
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811	which funds shall be expended only for the purpose of directly
812	implementing all or some portion of phosphogypsum stack system
813	closure requirements of that particular owner or operator.
814	3. A trustee, escrow agent, or other fiduciary of a cash
815	deposit arrangement authorized by this section shall have no
816	liability for any damage or loss of any kind arising out of or
817	caused by performance of duties imposed by the terms of the
818	applicable agreement except where such damage or loss is
819	directly caused by the gross negligence or criminal act of the
820	trustee, escrow agent, or other fiduciary. In performing its
821	duties pursuant to the applicable agreement, a trustee, escrow
822	agent, or other fiduciary shall be entitled to rely upon
823	information and direction received from the grantor or the
824	department without independent verification unless such
825	information and direction are manifestly in error:
826	4. To the extent that a cash deposit arrangement is used
827	to provide proof of financial responsibility for all or a
828	portion of closure costs, the trust, escrow, or cash arrangement
829	deposit entity shall be deemed to have assumed all liability for
830	such closure costs up to the amount of the cash deposit, less
831	any fees or costs of the trustee, escrow agent, or other
832	fiduciary.
833	5. Any funds maintained in a cash deposit arrangement
834	authorized by this section shall not be subject to claims of
835	creditors of the owner or operator and shall otherwise be exempt
836	from setoff, execution, levy, garnishment, and similar writs and
837	proceedings.
838	6. Any funds remaining in a trust, escrow account, or
839	other cash deposit arrangement after the purpose of such cash
840	deposit arrangement under this section has been accomplished
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841	shall be returned to the grantor.
842	(4) The department shall revise chapter 62-673, Florida
843	Administrative Code, to require the owner or operator of a
844	phosphogypsum stack system to demonstrate financial
845	responsibility for the costs of terminal closure of the
846	phosphogypsum stack system in a manner that protects the
847	environment and the public health and safety. At a minimum, such
848	rules shall include or address the following requirements:
849	(a) That the cost of closure and long-term care be re-
850	estimated by a professional engineer and adjusted for inflation
851	on an annual basis. At a minimum, such cost data shall include:
852	1. The cost of treatment and appropriate disposal of all
853	process wastewater, both ponded and pore, in the system.
854	2. All construction work necessary to properly close the
855	system in accordance with department rules.
856	3. All costs associated with long-term care of the closed
857	system, including maintenance and monitoring, in accordance with
858	department rules.
859	(b) That financial statements and financial data be
860	prepared according to generally accepted accounting principles
861	within the United States and submitted quarterly.
862	(c) That audited financial statements be provided annually
863	along with the statement of financial assurance.
864	(d) That any owner or operator in default on any of its
865	obligations report such default immediately.
866	(2) By January 31, 2002, the department shall review
867	chapter 62-673, Florida Administrative Code, to determine the
868	adequacy of the financial responsibility provisions contained in
869	the rules and shall take any measures necessary to ensure that
870	the rules provide sound and effective provisions to minimize
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871	risk to the environment and to public health and safety from the
872	business failure of a phosphogypsum stack system.
873	Section 10. (1) The Department of Environmental
874	Protection, in consultation with the Southwest Florida Water
875	Management District, shall study cumulative impacts of changes
876	in landform and hydrology in the Peace River Basin. The study
877	shall evaluate cumulative impacts of activities conducted in the
878	Peace River Basin prior to state regulation, or pursuant to an
879	exemption, a permit, or a reclamation plan on water resources of
880	the basin, including surface waters, groundwaters, fisheries,
881	aquatic and estuarine habitat, and water supplies. The study
882	shall also include an evaluation of the effectiveness of
883	existing regulatory programs in avoiding, minimizing,
884	mitigating, or compensating for cumulative impacts on water
885	resources of the basin. In addition the study shall evaluate the
886	environmental benefits, legal issues, and economic impacts of
887	limiting activities, including mining activities, on waters and
888	environmentally sensitive areas around waterbodies, by
889	establishing a buffer within the 100-year floodplain of major
890	perennial streams within the Peace River Basin, including the
891	Peace River, Horse Creek, and the Myakka River. The study shall
892	also recommend ways in which any buffer areas recommended as
893	prohibited areas can be considered as mitigation under
894	applicable permitting programs.
895	(2) Upon completion of the study, the department shall
896	prepare and adopt a resource management plan for the Peace River
897	Basin to minimize any identified existing and future adverse
898	cumulative impacts to water resources of the basin, including
899	surface waters, groundwaters, wetlands, fisheries, aquatic and
900	estuarine habitat, and water supplies. The plan shall identify
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901	regulatory and nonregulatory actions necessary to minimize
902	existing and future adverse cumulative impacts identified in the
903	study and where appropriate, shall also recommend statutory
904	changes to improve regulatory programs to minimize identified
905	cumulative impacts to water resources of the basin.
906	(3) Rulemaking authority is granted to the Department of
907	Environmental Protection and the Southwest Florida Water
908	Management District to implement the regulatory recommendations
909	identified in the study or the resource management plan.
910	(4) The resource management plan shall be submitted to the
911	Governor, the Speaker of the House of Representatives and the
912	President of the Senate no later than January 1, 2005.
913	(5) The department may use up to \$750,000 from the
914	Nonmandatory Land Reclamation Trust Fund to prepare the study
915	and plan required in this section.
916	(6) The department may establish a technical advisory
917	committee to assist the department in developing a plan of
918	study, reviewing interim findings, and reviewing final
919	recommendations. The technical advisory committee may include
920	representatives from the following interests in the Peace River
921	Basin: industrial, mining, agriculture, development,
922	environmental, fishing, regional water supply, and local
923	government.
924	Section 11. For fiscal year 2003-2004, the sum of \$12.5
925	million is hereby transferred from the Nonmandatory Land
926	Reclamation Trust Fund to the General Revenue Fund.
927	Section 12. For fiscal year 2003-2004, the sum of \$800,000
928	is appropriated to the Phosphate Research Trust Fund from the
929	proceeds of the phosphate severance tax deposited into the
930	Nonmandatory Land Reclamation Trust Fund. Such funds shall be
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HB 0093B 2003 931 used by the Florida Institute of Phosphate Research to conduct a bench and pilot scale study of the FIPR/DIPR process for the 932 purpose of determining its technical and economic feasibility. 933 The study shall evaluate the availability, technical 934 feasibility, and cost of using various types of fiber, 935 including, but not limited to, paper and sewage sludge. 936 The study shall evaluate the technical feasibility and practicality 937 of various methods of using and disposing of the clay/fiber 938 product produced, including admixing the material with soil. 939 Section 13. If any law amended by this act was also 940 amended by a law enacted at the 2003 Regular Session of the 941 Legislature or the 2003 Special Session A of the Legislature, 942 943 such laws shall be construed as if they had been enacted at the 944 same session of the Legislature, and full effect shall be given 945 to each if possible. Section 14. This act shall take effect upon becoming a 946 947 law.