



# FULL ANALYSIS

## I. SUBSTANTIVE ANALYSIS

### A. DOES THE BILL:

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

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

The proposed Constitutional amendment would increase the current maximum millage rate for ad valorem taxes in the Northwest Florida Water Management District (NFWFMD) from 0.05 mill to 1.0 mill. However, the Legislature would have to amend s. 373.503, F.S., to increase the statutory cap, which is currently at the constitutional cap of .05 mill (5 cents per \$1,000). The actual ad valorem millage rate assessed would then still have to be set by the NFWFMD’s governing board.

### B. EFFECT OF PROPOSED CHANGES:

#### Present Situation

In 1976, a constitutional amendment was approved which allowed the state’s five water management districts to levy ad valorem taxes for water management purposes. The original amendment proposal would have allowed each water management district to levy no more than one mill of ad valorem taxes on the assessed value of real property (\$1 per \$1,000 of value) within the district’s boundaries. However, there was a strong sentiment in the Northwest Florida area to provide only minimal funding. As a result, the constitutional amendment that was passed allowed for up to one mill to be assessed in the Suwannee River Water Management District (SRWMD), the St. Johns River Water Management District (SJRWMD), the Southwest Florida Water Management District (SWFWMD) and the South Florida Water Management District (SFWMMD). However, the NFWFMD, was limited to a constitutional millage cap of .05 mill (5 cents per \$1,000 of value).

Under, Section 373.503, F.S., the Florida Legislature has provided statutory millage caps for the water management districts at or below the constitutional caps. The original statutory millage caps for the water management districts were established in 1976, as follows:<sup>1</sup>

- Northwest Florida Water Management District – 0.05 mill
- Suwannee River Water Management District – 0.75 mill
- St. Johns River Water Management District – 0.375 mill
- Southwest Florida Water Management District – 1.0 mill
- South Florida Water Management District – 0.8 mill

Since 1976 only the statutory cap for the St. Johns River Water Management District has been changed. It was increased to 0.6 mills in 1985.<sup>2</sup>

Each district’s governing board is responsible for setting the actual millage rate imposed for its district at or below the statutory cap.

<sup>1</sup> Chapter 76-243, Laws of Florida

<sup>2</sup> In 1985, Chapter 85-211, Laws of Florida, authorized an additional 0.225 mill which could only be used for land acquisitions and capital projects associated with such acquisitions. In 1987, Chapter 87-97, Laws of Florida, removed this restriction for the use of the additional 0.225 mill.

The following lists the current constitutional and statutory millage caps along with the current rate for each of the five water management districts.

	Constitutional Cap	Statutory Cap	Current Rate
<b>NFWMD</b>	0.05	0.05	0.05
<b>SRWMD</b>	1.00	0.75	0.4914
<b>SJRWMD</b>	1.00	0.60	0.462
<b>SWFWMD</b>	1.00	1.00	0.678*
<b>SFWMD</b>	1.00	0.80	0.612**

\*Average overall assessment for the district including 8 basins

\*\*Average overall assessment for the district including the Okeechobee Basin and the Big Cypress Basin

Since 1983, numerous commissions, task forces, and reports have recommended that the State Constitution be amended to provide the NFWMD with the same maximum ad valorem tax rate as the other water management districts. In spite of these recommendations, to date the constitutional millage cap for NFWMD has not been revised.

#### Environmental Resource Permit

In 1993, the Legislature combined the Department of Environmental Regulation and the Department of Natural Resources into one department – the Department of Environmental Protection (DEP).<sup>3</sup> This legislation created the “Environmental Resource Permit” (ERP) which was intended to consolidate all permits for activities involving dredging and filling, and management and storage of surface water (MSSW), including stormwater control, into a single type of permit. The water management districts assumed the lead role for the issuance of these permits. Four of the five water management districts currently have established ERP programs. However, while the NFWMD has had the authority to operate a ERP program pursuant to Chapter 373, F.S., it has never fully operated such a program due to its funding limitations.

Section 373.4145, F.S., was created to provide for an interim dredge-and-fill and stormwater permitting program for the NFWMD in lieu of an ERP program. Under this statutory provision, the DEP operates a limited permitting program in this district. The DEP’s permitting authority, however, is limited to those wetland permitting rules which were in effect under the Henderson Wetland Act of 1984. The DEP is, therefore, prohibited from implementing a complete ERP program on behalf of the water management district. This interim permitting program for the NFWMD has been extended until July 2, 2005.

#### **Effect of Proposed Changes**

This is a joint resolution to place a Constitutional amendment on the ballot for the November 2004 general election to amend the Section 9(b), Article VII of the Florida Constitution to provide a for standard maximum millage rate for ad valorem taxes for water management purposes for all five water management districts. The proposed amendment would delete long-standing language from the Constitution that imposes on property in the Northwest Florida Water Management District a maximum ad valorem tax rate (0.05 mill or 5 cents per \$1,000 of assessed value) that is significantly lower than the maximum rate that can be imposed by the other four water management districts. If adopted, this Constitutional amendment would equalize the maximum ad valorem tax rate for all five water management districts at 1 mill or \$1 per \$1,000 of assessed value.

#### C. SECTION DIRECTORY: N/A

<sup>3</sup> Chapter 93-213, Laws of Florida.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

#### 1. Revenues:

If approved by the voters, the constitutionally allowable maximum millage rate for ad valorem taxes for water management purposes in the NFWWMD would be increased from 0.05 mill to 1.00 mill.

Currently, the NFWWMD is assessing at the maximum constitutional and statutory cap of .05 mill. For fiscal year 2003-04, NFWWMD anticipates \$2,832,332 will be collected at the .05 millage rate. The actual revenue received by the NFWWMD in fiscal year 2002-03 was \$2,440,243.

#### 2. Expenditures:

The Division of Elections estimates that the cost to advertise the proposed constitutional amendment twice in a newspaper of general circulation in each county prior to the 2004 general election is approximately \$40,000.<sup>4</sup>

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

#### 1. Revenues: None

#### 2. Expenditures: None

### C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

There is no immediate economic impact from the passage of this resolution. If the Constitutional amendment is approved by the voters, the Legislature will still have to amend s. 373.503, F.S., to increase the statutory cap, which is currently set at the constitutional cap of .05 mill. Then the actual millage rate would have to be set by the NFWWMD's governing board. At some point in the future there would likely be an increase in the tax on real property for water management in the Northwest Florida Water Management District. What that increase would be and when any increased would be imposed is unknown at this time.

### D. FISCAL COMMENTS: None

## III. COMMENTS

### A. CONSTITUTIONAL ISSUES:

#### 1. Applicability of Municipality/County Mandates Provision:

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

#### 2. Other:

This is a joint resolution proposing an amendment to Section 9(b), Article VII of the Florida Constitution.

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<sup>4</sup> Personal Communication, Department of State, Office of Legislative Affairs

B. RULE-MAKING AUTHORITY: None

C. DRAFTING ISSUES OR OTHER COMMENTS:

If the proposed constitutional amendment is adopted, the Legislature would have to revise the NWFWMMD's statutory cap before the district governing board could increase the ad valorem rate.

#### **IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES**