

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 655
SPONSOR(S): Machek
TIED BILLS:

Florida Inland Navigation District

IDEN./SIM. BILLS: SB 1352

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Water & Natural Resources Committee</u>	<u>11 Y, 0 N</u>	<u>Winker</u>	<u>Lotspeich</u>
2) <u>Local Government Council</u>	<u>6 Y, 0 N</u>	<u>Camechis</u>	<u>Hamby</u>
3) <u>Agriculture & Environment Appropriations Committee</u>	<u></u>	<u>Davis</u>	<u>Dixon</u>
4) <u>State Resources Council</u>	<u></u>	<u></u>	<u></u>
5) <u></u>	<u></u>	<u></u>	<u></u>

SUMMARY ANALYSIS

This bill expands the geographical jurisdiction and navigation responsibility of the Florida Inland Navigation District (FIND) to include an additional 52 miles of the Okeechobee Waterway through Lake Okeechobee (Lake) to the western boundary of Palm Beach County. As the local sponsor, FIND will provide land to the U.S. Army Corps of Engineers for the storage and management of dredged materials from the Okeechobee Waterway.

The bill recognizes that water levels are subject to natural weather cycles and Lake management strategies that may adversely affect navigation upon the Waterway, and exempts FIND from taking action to restore navigation on the Waterway when the water level of Lake Okeechobee and the Waterway within the Lake is less than 12.56 feet.

This bill should not require state or local governments to spend funds. FIND, a special district, expects to fund expenses associated with implementing this bill out of current revenues and does not anticipate raising the millage rate of .0385.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Provide limited government: This bill expands the geographical jurisdiction and navigation responsibility of the Florida Inland Navigation District (FIND) to include an additional 52 miles of the Okeechobee Waterway through Lake Okeechobee to the western boundary of Palm Beach County. This portion of the Waterway is not currently under the jurisdiction of an inland navigation district.

Ensure lower taxes: The owners of the property in the expanded jurisdiction of FIND will be subject to the ad valorem tax levied by the district.

B. EFFECT OF PROPOSED CHANGES:

Current Situation

The Florida Inland Navigation District

The Florida Inland Navigation District (FIND) was created by the Florida Legislature in 1927 to perform the requirements of a "local sponsor" of the Atlantic Intra-coastal Waterway project in Florida. Currently, FIND is governed by the provisions ch. 374, Florida Statutes. FIND was created as a multi-county special district encompassing twelve east coast counties from Duval County to Miami-Dade County. FIND is administered by an eleven member Board of Commissioners (one from each county of FIND) appointed by the Governor.

FIND is authorized by section 374.986, Florida Statutes, to annually assess and levy against taxable property in the district a tax not to exceed one-tenth of a mill on the dollar. The current millage rate is .0385. Proceeds from the tax must be used by FIND to fund all district expenses, including the purchase of right-of-way and other property.

In its capacity as a "local sponsor" of the Atlantic Intra-coastal Waterway project in Florida, FIND provides all lands required for the navigation project, including rights of way and lands for the management of dredged materials removed from the waterway channel during dredging activities. As a "local sponsor", FIND must perform and do all things necessary to comply with the requirements and conditions imposed upon a "local interest" by the United States Congress in several federal acts authorizing and directing the improvement and maintenance of the Intra-coastal Waterway from St. Mary's River to the southernmost boundary of Miami-Dade County. These federal acts include, but are not limited to, the Rivers and Harbors Act approved January 21, 1927, as amended by the River and Harbor Act approved July 3, 1930; the River and Harbor Act of 1938; and s. 107 of the Federal River and Harbor Act of 1960.

In addition to the management and development of lands provided for the Atlantic Intra-coastal Waterway project and used for storage of dredged sediments, other FIND programs include:

- Assistance programs for governmental units within FIND for waterway improvement projects such as access channels, boat ramps, public marinas, fishing piers, boardwalks, waterfront parks, environmental enhancement and education, and boating safety;
- Installation and maintenance of all signage within FIND regarding boat speed regulation for the protection of manatees; and
- Publication and distribution of over 30 brochures on a wide range of waterway related issues.

Sediment dredged from FIND waterways is generally stored on land purchased for that purpose and used for other purposes at a later date. About one-half of the dredged sediment is potentially beach quality material, which is stored on beach placement areas where it is used for the restoration of ocean beaches.

The Okeechobee Waterway

The Okeechobee Waterway was built in 1937 by the U.S. Army Corps of Engineers after two floods caused by hurricanes destroyed the areas surrounding Lake Okeechobee (Lake). The Waterway consists of 5 locks which help boats through the 152 mile long east-west waterway from Stuart to Ft. Myers. The Waterway is a significant commercial and recreational link between the Atlantic Ocean and the Gulf of Mexico. In 1997, the Legislature gave FIND the responsibility for 15.2 miles of the Waterway downstream of the St. Lucie Lock.

Effect of Proposed Changes

The bill amends section 374.984, Florida Statutes, to expand the geographic jurisdiction of FIND to include a portion of the Okeechobee Waterway located in Martin and Palm Beach Counties. The bill expands the navigation responsibility of FIND from its current terminus at the St. Lucie Lock to include an additional 52 miles through Lake Okeechobee to the western Palm Beach County boundary. Under provisions of the bill, FIND will become the "local sponsor" for navigation requiring FIND to provide land to the U.S. Army Corps of Engineers for the management of dredged materials from the Waterway. Without a "local sponsor" to provide lands for navigation dredging, the Army Corps of Engineers has not been able to remove shoals that impair navigation, especially during drought and low water conditions. This has economically affected Waterway related businesses and the use of the Waterway by commercial and recreational vessels. The Army Corps of Engineers remains responsible for performing all dredging and construction on the Waterway.

The bill recognizes that water levels are subject to natural weather cycles and Lake management strategies that may adversely affect navigation upon the Waterway, and exempts FIND from taking action to restore navigation on the Waterway when the water level of Lake Okeechobee and the Waterway within the Lake is less than 12.56 feet.

C. SECTION DIRECTORY:

Section 1: Amends s. 374.984, F.S., to extend the geographical jurisdiction of the Florida Inland Navigation District and relieve the District of the obligation to conduct navigation restoration activities on the Waterway should water levels on Lake Okeechobee and Waterway sections within the Lake fall below 12.56 feet.

Section 2: Provides an effective date of July 1, 2005.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues: None.
2. Expenditures: None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues: See Fiscal Comments below.
2. Expenditures: See Fiscal Comments below.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

See Fiscal Comments below.

D. FISCAL COMMENTS:

Comments Provided by FIND Staff

The bill will result in expenditures by FIND of approximately \$130,000, including \$10,000 for administration and \$120,000 to conduct a dredged material study. Enhanced management and maintenance of the Waterway will require FIND to purchase land and infrastructure for the dredged material. FIND estimates that land acquisition costs would be about \$5 million from 2007-2009. Infrastructure development costs are estimated to be about \$8 million over a ten year period from 2010-2020 with the federal government contributing 50% of the cost. These expenditures will be funded by ad valorem tax proceeds collected by FIND.

The bill should have a positive impact upon persons, businesses, and governments within Martin and Palm Beach Counties, as well as a statewide impact by enhancing the use and navigability of the Waterway through better management and maintenance for use by commercial and recreational vessels. According to FIND staff, there are currently 1,180 Waterway related businesses in Martin and Palm Beach Counties, and the current Waterway related economy in these counties is about \$961 million annually. FIND reports that inadequate maintenance of the waterways in this area could result in the loss of about \$510 million annually.

The Waterway serves about 48,023 registered vessels in addition to a significant number of out-of-state vessels. Approximately \$456,000 in transportation costs per year is saved by vessels using the Waterway, and a better managed Waterway could increase this amount. In addition, a better maintained and managed Waterway could increase property values and development which, in turn, should result in increased tax revenues.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable because the bill does not appear to require cities or counties to spend funds or take actions requiring the expenditure of funds, reduce the authority that cities or counties have to raise revenues in the aggregate, or reduce the percentage of a state tax shared with cities or counties.

3. Other: None.

B. RULE-MAKING AUTHORITY: This bill does not address rule-making.

C. DRAFTING ISSUES OR OTHER COMMENTS: The FIND Board of Commissioners and the Marine Industries Association support this bill.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

None.