

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

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

Florida Inland Navigation District

IDEN./SIM. BILLS: SB 1352

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REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Water & Natural Resources Committee	11 Y, 0 N	Winker	Lotspeich
2) Local Government Council			
3) Agriculture & Environment Appropriations Committee			
4) State Resources Council			
5)			

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SUMMARY ANALYSIS

The bill amends s. 374.984, F.S., related to the Florida Inland Navigation District (FIND) by expanding its geographic jurisdiction to include a portion of the Okeechobee Waterway (Waterway) located in Martin and Palm Beach Counties. The bill also exempts FIND from taking any actions to restore navigation on the Waterway when the water levels of Lake Okeechobee (Lake) and the section of the Waterway within the Lake are less than 12.56 feet. This is due to the recognition by the Legislature that such water levels are subject to natural weather cycles and Lake management strategies that may adversely affect navigation upon the Waterway.

No state funding is anticipated for implementing provisions of the bill. However, FIND staff estimates that there will be expenditures in the amount of \$130,000 for administration (\$10,000) and a dredged material management study (\$120,000). These expenditures will come from current ad valorem tax proceeds to FIND. Federal funding is currently being expended in the management of the Waterway and according to FIND, should provide funding as needed for the Federal share of management and maintenance of the Waterway.

The bill will take effect on July 1, 2005.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. HOUSE PRINCIPLES ANALYSIS:

The bill does not appear to be related to House principles.

#### B. EFFECT OF PROPOSED CHANGES:

##### **Current Situation**

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. FIND was created as a multi-county special district encompassing twelve east coast counties from Duval County to Miami-Dade County.

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 which shall be requisite and necessary to comply with the requirements and conditions imposed upon a "local interest" by the Congress of the United States in several 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 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.

The FIND is governed by an eleven member Board of Commissioners (one from each county of FIND) appointed by the Governor. The FIND levies an ad valorem tax in the twelve member counties to provide funding for legislatively authorized programs. In 1997, the Legislature codified all of the Special Acts that constituted FIND's authority into s. 374.975-989, F.S.

In addition to the management and development of lands for the storage of dredged sediments provided for the Atlantic Intra-coastal Waterway project, other FIND programs include: assistance programs to governments within the 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; the installation and maintenance of all signage within the FIND for boat speed regulation for the protection of manatees; and the publication and distribution of over 30 brochures on a wide range of waterway related issues.

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

The Okeechobee Waterway was built in 1937 by the Army Corps of Engineers after two floods caused by hurricanes destroyed the surrounding areas of 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 s. 374.984, F.S., related to the Florida Inland Navigation District by expanding its geographic jurisdiction 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 an additional 52 miles through Lake Okeechobee to the western Palm Beach County boundary. Under provisions of the bill, FIND would become the "local sponsor" for navigation which would require FIND to provide land to the Army Corps of Engineers for the management of dredged materials from the Waterway. Without a "local sponsor" providing 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 would continue its responsibility for performing all dredging and construction on the Waterway.

The bill also exempts the FIND from taking any actions to restore navigation on the Waterway when the water levels of Lake Okeechobee and the section of the Waterway within the Lake are less than 12.56 feet. This is due to the recognition by the Legislature that such water levels are subject to natural weather cycles and management strategies for the Lake that may adversely affect navigation upon the Waterway.

The bill takes effect on July, 1, 2005.

### C. SECTION DIRECTORY:

Section 1: Amends s. 374.984, F.S., related to the Florida Inland Navigation District; adds a portion of the Okeechobee Waterway located in Martin and Palm Beach Counties to the District; and exempts the District's 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: The act will take effect on 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:**

According to FIND staff, the bill would require and expenditure of \$130,000 for administering (\$10,000) and conducting a dredged material study (\$120,000). These funds would come from current ad valorem tax proceeds.

According to FIND staff, the bill should have a positive fiscal 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 by commercial and recreational vessels through better management and maintenance of the Waterway. According to FIND staff, the current Waterway related economy in Martin and Palm Beach Counties is about \$961 million annually. There are currently 1,180 Waterway related businesses in Martin and Palm Beach Counties. FIND reports that inadequate maintenance of the waterways in this area could result in the loss of about \$510 million annually.

According to FIND staff, the Waterway serves about 48,023 registered vessels in addition to a significant number of out-of-state vessels. FIND staff estimates that about \$456,000 in transportation costs per year are saved by vessels using the Waterway. A better managed Waterway ought to increase this amount. In addition, FIND staff indicates that a better maintained and managed Waterway ought to increase property values and development which ought to result in increase tax revenues.

According to FIND staff, 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.

**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:**

No additional rulemaking authority is required to implement the provisions of the bill.

**C. DRAFTING ISSUES OR OTHER COMMENTS:**

None.

**IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES**