

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: Community Affairs Committee

BILL: CS/SB 1306

INTRODUCER: Environmental Preservation Committee and Senator Garcia

SUBJECT: Miami-Dade County Lake Belt Plan

DATE: March 23, 2006

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Branning</u>	<u>Kiger</u>	<u>EP</u>	<u>Favorable/CS</u>
2.	<u>Herrin</u>	<u>Yeatman</u>	<u>CA</u>	<u>Favorable</u>
3.	_____	_____	<u>GA</u>	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This committee substitute (CS) adds back into the Miami-Dade County Lake Belt Area (Lake Belt Area) certain areas that were previously excluded from the statutorily designated Lake Belt Area boundaries. It revises the geographic boundaries for mining areas within the Lake Belt Area that are subject to the mitigation fees. The CS increases the mitigation fee that is imposed for each ton of limerock and sand that is extracted from the Lake Belt Area and revises the procedure for increasing the fee in the future. It expands the uses for the mitigation funds to include reimbursement to the South Florida Water Management District and Miami-Dade County for the purchase of certain lands. Also, the CS increases the frequency of reporting by an interagency committee to the Legislature from every 10 years to every 5 years.

This CS substantially amends sections 373.4149 and 373.41492 of the Florida Statutes.

II. Present Situation:

The south Florida rock mining industry supplies more than half of the construction grade rock and sand used throughout the state for building roads, schools, and for private construction. The mining of the deposit of limestone available in south Florida is limited due to the urbanization to the east and the Everglades to the west. This area is referred to as the Miami-Dade County Lake Belt Area (Lake Belt Area).

The Lake Belt Area as defined in s. 373.4149, F.S., is that area bounded by Florida's Ronald Regan Turnpike to the east, the Miami-Dade-Broward County line to the north, Krome Avenue to the west, and the Tamiami Trail to the south, together with certain other specified parcels of land. The Miami-Dade County Lake Belt Area encompasses 77.5 square miles. This area

produces about 35-40 million tons of rock annually, transforming about 300 acres of melaleuca-infested wetlands into lakes 80 feet deep, surrounded by manmade wetlands.

In 1992, the Legislature created the Northwest Dade County Freshwater Lake Plan Implementation Committee, which has subsequently been renamed as the Miami-Dade County Lake Belt Plan Implementation Committee to develop a plan which enhances the water supply for Miami-Dade County and the Everglades; maximizes efficient recovery of limestone while promoting the social and economic welfare of the community and protecting the environment; and educates various groups and the general public of the benefits of the plan. The committee published a report on Phase I of the Lake Belt Plan in February 1997. The 1997 Legislature adopted the Phase I Lake Belt Plan and provided direction for the development of the Phase II Lake Belt Plan. The Phase I Lake Belt Plan provided for:

- Streamlining the permitting process for rock mining within the Lake Belt;
- Identifying areas for mining, mitigation, and additional analysis;
- Establishing a dedicated funding mechanism for mitigation;
- Authorizing government-industry land exchanges; and
- Authorizing state agencies to enter into agreements to implement the plan.

The Phase II Plan provides a more detailed plan to further implement and specifically address a number of additional legislative mandates. Key elements of the Phase II Plan include:

- The 2050 Vision for the Lake Belt – public and private investments in the Lake Belt Area over the next 50 years will be coordinated and planned in a mutually supportive and compatible fashion. It recognizes the need to balance priorities for protecting water supply, Everglades restoration and wetland restoration, protecting mining and non-mining interests, and realizing recreation opportunities.
- Guiding principles to direct the location, intensity, and phasing of land uses related to wellfield protection, water management, Everglades restoration, limestone mining, non-mining land use, environmental enhancements, and recreational opportunities.
- Guiding actions to address specific issues.
- Recommendations for funding, implementation phasing, and legislative and regulatory revisions.

To offset the impacts of mining on wetlands, s. 373.41492, F.S., imposes a per-ton mitigation fee on all commercially mined limestone that is mined and sold from the Lake Belt Area. The fee began on October 1, 1999, at 5 cents per ton and beginning January 1, 2001, has increased by 2.1 percentage points, plus a cost growth index¹ each year thereafter. The proceeds of the mitigation

¹ The cost growth index is the percentage change in the weighted average of the Employment Cost Index for All Civilian Workers (ecu100011), issued by the United States Department of Labor for the most recent 12-month period ending on September 30, and the percentage change in the Producer Price Index for All Commodities (WPU00000000) issued by the United States Department of Labor for the most recent 12-month period ending on September 30, compared to the weighted average of these indices for the previous year. The weighted average shall be calculated at 0.6 times the percentage change in

fee must be used to conduct mitigation activities that are appropriate to offset the loss of the value and functions of wetlands as a result of mining activities and must be used in a manner consistent with the recommendations contained in the reports submitted to the Legislature by the Miami-Dade County Lake Belt Plan Implementation Committee. The mitigation may include the purchase, enhancement, restoration, and management of wetlands and uplands, the purchase of mitigation credits from a permitted mitigation bank, and any structural modifications to the existing drainage system to enhance the hydrology of the Lake Belt Area. Funds may also be used to reimburse other funding sources, including the Save Our Rivers Land Acquisition Program and the Internal Improvement Trust Fund, for the purchase of lands that were acquired in areas appropriate for mitigation due to rock mining and to reimburse governmental agencies that exchanged land for mitigation due to rock mining.

III. Effect of Proposed Changes:

Section 1 amends s. 373.4149, F.S., to add back into the Lake Belt Area certain specified areas that were previously excluded from the statutorily designated boundaries of the Lake Belt Area.

Section 2 amends s. 373.41492, F.S., to revise the amount of the mitigation fee imposed for each ton of limerock and sand sold from the Lake Belt Area and the areas within the Lake Belt Area that are subject to the fee. The new fee will be 12 cents per ton of limerock and sand beginning October 1, 2006, 18 cents per ton beginning October 1, 2007, and 24 cents per ton beginning October 1, 2008. Beginning, October 1, 2009, and each October 1 thereafter, the per-ton mitigation fee shall be increased by 2.1 percentage points, plus a cost growth index.² The fee increases are proposed to compensate for the rapidly rising land costs for mitigation. The CS further allows the funds received from the mitigation fee to be used to reimburse the South Florida Water Management District and Miami-Dade County for the purchase of lands that were acquired in areas appropriate for mitigation due to rock mining and allows reimbursement for land that was exchanged for mitigation due to rock mining.

No sooner than January 31, 2010, and no more frequently than every 5 years, the interagency committee, as established in s. 373.41492, F.S.,³ to oversee the mitigation expenditures must submit a report to the Legislature recommending any needed adjustments to the mitigation fee to ensure that the revenue generated reflects the actual costs of the mitigation.

Section 3 provides the act shall take effect upon becoming a law.

the Employment Cost Index for All Civilian Workers (ecu1001I), plus 0.4 times the percentage change in the producer Price Index for All Commodities (WPU00000000) If either index is discontinued, it shall be replaced by its successor index, as identified by the United States Department of Labor. *See* s. 373.41492(5), F.S.

² *See id.*

³ The members of the interagency committee consist of representatives of Miami-Dade County Department of Environmental Resource Management, the Department of Environmental Preservation, the South Florida Water Management District, and the Fish and Wildlife Conservation Commission. *See* s. 373.41492(6)(b), F.S.

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

This CS does not require cities and counties to expend funds or limit their authority to raise revenue or receive state-shared revenues as specified by s. 18, Art. VII, State Constitution.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:**A. Tax/Fee Issues:**

This CS increases the per-ton mitigation fee for each ton of limerock and sand that is sold from the Lake Belt Area. Beginning October 1, 2006, the fee will be 12 cents per ton; beginning October 1, 2007, the fee will be 18 cents per ton, and beginning October 1, 2008, the fee will be 24 cents per ton. Beginning October 1, 2009, the fee will be annually increased by 2.1 percentage points, plus a cost growth index.

B. Private Sector Impact:

The increased mitigation fees will probably increase the consumer's cost of limerock and sand mined from the Lake Belt Area.

C. Government Sector Impact:

Currently, the mitigation fee is 7 cents per ton of mined limerock and sand from the Lake Belt Area. At this rate, the proceeds from this fee amount to about \$3 M per year. The \$3 M was assessed on approximately 43 million tons of limerock and sand. Based on the 43 million tons mined and sold annually, the estimated impact of the increased fees is:

$$\begin{aligned} 43 \text{ million tons} \times 12 \text{ cents} &= \$5.2 \text{ M} \\ 43 \text{ million tons} \times 24 \text{ cents} &= \$10.3 \text{ M}^4 \end{aligned}$$

The CS expands the use of the mitigation funds to include reimbursement to the South Florida Water Management District and Miami-Dade County for the purchase of lands that were acquired in appropriate areas for mitigation due to rock mining and reimbursement for the exchange of land for mitigation due to rock mining.

⁴ 2006 Fiscal Note for SB 1306 submitted to the Senate Appropriations Committee from the South Florida Water Management District.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

VIII. Summary of Amendments:

None.

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