

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Environmental Preservation and Conservation Committee

BILL: SB 1552

INTRODUCER: Senator Saunders

SUBJECT: Everglades Restoration Bonds

DATE: March 13, 2008 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Bascom	Kiger	EP	Favorable
2.	_____	_____	FT	_____
3.	_____	_____	GA	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

The bill extends the term through which Everglades Restoration Bonds may be issued from fiscal years 2009 – 2010 to fiscal years 2019 – 2020. It also increases the annual capacity on bonds issued from \$100 million to \$200 million for each fiscal year. Finally, the bill provides that Everglades Restoration Bonds must mature by December 31, 2040.

This bill amends section 215.619, Florida Statutes.

II. Present Situation:

The federal government and the state of Florida entered into an unprecedented 50/50 partnership to restore the Everglades where costs are to be shared equally by the federal and state governments. The U.S. Army Corps of Engineers is the lead federal agency and the South Florida Water Management District is the lead for the state’s effort.

The \$10.9 billion Comprehensive Everglades Restoration Plan (CERP) is largely based upon a series of projects designed to “get the water right”¹ in south Florida. Approved in 2000 by Congress, CERP takes a watershed approach and is considered the largest environmental restoration program in history. CERP will build upon and work with other state and federal efforts to revitalize the wetlands, lakes, bays and estuaries of south Florida’s ecosystem. Together, these efforts will not only improve the Everglades, but will help ensure we have the water needed for the future.

¹ US Army Corps of Engineers and South Florida Water Management District plan for watershed restoration as provided in CERP. Information may be obtained at http://www.evergladesplan.org/about/rest_plan_pt_02.aspx

The 2000 Water Resources Development Act² (WRDA) authorized CERP as a framework and guide for modifications, to the U.S. Army Corps of Engineers' Central and Southern Florida Project, needed to restore the south Florida ecosystem and to provide for the other water-related needs of the region. WRDA 2000 authorized the construction of four pilot projects, ten initial projects and provided programmatic authority to implement small restoration projects all totaling nearly \$1.4 billion. Authorization for the remaining components of CERP was to be requested in subsequent Water Resource Development Acts beginning in 2002.

In 2002, the State of Florida began issuing Everglades Restoration Bonds as part of its agreement for the cost-sharing of CERP. Under s. 215.619, F.S., bonds were to be issued through fiscal years 2009 – 2010, not to exceed \$100 million annually, for the improvement of land, water areas, and related property interests and resources for the purpose of implementing CERP.³

III. Effect of Proposed Changes:

Section 1: The bill extends the term for issuance of Everglades's restoration bonds from fiscal year 2009 – 2010 to fiscal year 2019 – 2020 and increases the capacity on bonds that may be issued from \$100 million to \$200 million annually. The bill also extends the maturity date on all Everglades bonds from December 31, 2030 to December 31, 2040.

Section 2: Provides an effective date of July 1, 2008.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

This bill 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. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

² Public Law No. 106-541, of the 106th Congress, Title VI, Section 601

³ Committee staff has requested current fiscal data from the Department of Environmental Protection.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The Committee on General Government Appropriations indicates that an increase in the bond capacity from \$100 million to \$200 million could double the state's annual debt service from \$8,771,130 to \$17,542,260. The 2007 State Debt Affordability Study, presented at the January 2008 Cabinet meeting, indicated that although there is \$12.6 billion in available debt capacity within the targeted 6 percent capacity over the next ten years, no debt service capacity is available over the next three years.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:**A. Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.