

**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: CS/SB 1848

INTRODUCER: General Government Appropriations Committee and Senator Alexander

SUBJECT: Water Management Districts/Millage Rate

DATE: April 11, 2008                      REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Kynock</u>	<u>DeLoach</u>	<u>GA</u>	<u>Fav/CS</u>
2.	<u>Branning</u>	<u>Kiger</u>	<u>EP</u>	<u>Pre-meeting</u>
3.	_____	_____	<u>FT</u>	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

**Please see Section VIII. for Additional Information:**

- |                              |                                     |   |
|------------------------------|-------------------------------------|---|
| A. COMMITTEE SUBSTITUTE..... | <input checked="" type="checkbox"/> | Statement of Substantial Changes        |
| B. AMENDMENTS.....           | <input type="checkbox"/>            | Technical amendments were recommended   |
|                              | <input type="checkbox"/>            | Amendments were recommended             |
|                              | <input type="checkbox"/>            | Significant amendments were recommended |

**I. Summary:**

This joint resolution provides for an amendment to the State Constitution, to be placed on the November 2008 general election ballot, to standardize the maximum millage rate allowed to be levied for ad valorem taxes for water management purposes. Specifically, the joint resolution removes an exception to the statewide millage rate cap for the northwest portion of the state and provides the actual ballot language.

This bill does not substantially amend, create, or repeal any of the Florida Statutes.

**II. Present Situation:**

Florida's five water management districts consist of the Northwest Florida Water Management District (NFWMD), 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 (SFWMD). In 1976, voters approved a constitutional amendment that allowed the 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 within the district’s boundaries. However, the constitutional amendment that was ultimately approved limited the Northwest Florida Water Management District to a maximum millage of .05 mill (5 cents per \$1,000 of value), while allowing for up to one mill (\$1 per \$1,000 of value) to be levied in each of the other water management districts.

Section 373.503, F.S., provides statutory millage caps for the water management districts within the constitutional caps. Each district’s governing board sets the millage rate for its district within the statutory cap. The following chart indicates the current constitutional and statutory millage caps and the current millage rates for each water management district.

	<b>NFWWMD</b>	<b>SRWMD</b>	<b>SJRWMD</b>	<b>SWFWMD</b>	<b>SFWMD</b>
Constitutional Cap	0.05	1.00	1.00	1.00	1.00
Statutory Cap	0.05	0.75	0.60	1.00	0.80
Current Rate	0.045	0.4399	0.4158	0.3866*	0.2126**

\*Average overall assessment for the district including eight basins and the Green Swamp Basin.

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

Since the original statutory millage caps were established in 1976 (ch. 76-243, L.O.F.), the St. Johns River Water Management District is the only district whose cap has increased. In 1985, ch. 85-211, L.O.F., authorized the St. Johns River Water Management District to levy an additional .225 mill, which could only be used for land acquisitions and capital projects associated with such acquisitions. In 1987, ch. 87-97, L.O.F., removed the restriction and allowed the full .6 mill to be levied for any district purpose.

**Environmental Resource Permit**

In 1993, the Legislature enacted ch. 93-213, L.O.F., which created the Environmental Resource Permit (ERP). The ERP was intended to consolidate all permits for activities involving dredging and filling or management and storage of surface water, including stormwater control, into a single type of permit. With the exception of the Northwest Florida Water Management District, the state’s water management districts assumed the lead role for the issuance of these permits since inception of the ERP program. In 2006, the Legislature extended the ERP program to include the Northwest Florida Water Management District. Due to the constitutional limitation, the Northwest Florida Water Management District relies on state financial subsidies to implement its ERP program and support its operations. For Fiscal Year 2007-2008, these subsidies amount to \$5,184,926.

Since 1983, several commissions, task forces, and reports have recommended that the State Constitution be amended to place the Northwest Florida Water Management District on a par with the other water management districts. Those commissions, task forces, and reports include the following.

- Speaker’s Task Force on Water Issues – 1983
- Environmental Efficiency Study Commission – 1988
- Environmental Efficiency Study Commission Minority Report – 1988
- A Review of Selected Functions of Water Management Districts – Senate Natural Resources and Conservation Committee – 1988

- Report on the Sundown Act Review of the Water Management District Governing Boards and Basin Boards Scheduled for Repeal – House Natural Resources Committee – 1989
- Governor’s Water Resource Commission – 1989
- A Review of Water Management Districts and Recommendations of the Environmental Study Commission – Senate Natural Resources and Conservation Committee – 1989
- A Review of the Water Resources Management Program Administered by the Department of Environmental Protection and the Water Management Districts – Office of Program Policy Analysis and Government Accountability – 1994
- Water Management District Review Commission – 1995
- Governor’s Water Supply Development and Funding Work Group – 1997
- The Constitutional Millage Cap of the Northwest Florida Water Management District Review and Recommendations – Executive Office of the Governor – 1998
- The Agency Sunset Review of the Water Management Districts required by the Florida Government Accountability Act – 2008
- The Agency Sunset Review of the Department of Environmental Protection required by the Florida Government Accountability Act - 2008

### **III. Effect of Proposed Changes:**

This bill places on the ballot an amendment to the State Constitution, which provides for a standard maximum millage rate of one mill for ad valorem taxes for water management purposes. With the exception of the Northwest Florida Water Management District, the maximum constitutional millage rate for the state’s water management districts is one mill, or one dollar per \$1,000 of assessed value. This bill removes the exception for the Northwest Florida Water Management District, which is currently capped at .05 mill, or 5 cents per \$1,000 of assessed value.

### **IV. Constitutional Issues:**

#### **A. Municipality/County Mandates Restrictions:**

None.

#### **B. Public Records/Open Meetings Issues:**

None.

#### **C. Trust Funds Restrictions:**

None.

### **V. Fiscal Impact Statement:**

#### **A. Tax/Fee Issues:**

If approved by the voters, the constitutionally allowable maximum millage rate for ad valorem taxes for water management purposes in the Northwest Florida Water Management District would be increased from 0.05 mill to 1.0 mill. For the actual

millage rate to increase, the Legislature may amend s. 373.503, F.S., to increase the statutory cap, which is currently set at the constitutional cap of .05 mill (5 cents per \$1,000). The actual millage rate will be set by the Northwest Florida Water Management District's governing board, subject to the statutory cap.

**B. Private Sector Impact:**

There is no immediate impact, since the measure is subject to be approval by the voters and the statutory cap would have to be increased before the millage rate could increase. Currently, the Northwest Florida Water Management District levies .045 mills. The maximum constitutional and statutory cap is .05 mills. For Fiscal Year 2007-2008, the Northwest Florida Water Management District anticipates \$5,018,859 will be collected at the .045 millage rate. This revenue only covers approximately 49 percent of the district's base operations. The actual revenue received by the Northwest Florida Water Management District in Fiscal Year 2006-2007 was \$5,254,741.

**C. Government Sector Impact:**

The Division of Elections estimates that the cost to advertise the proposed constitutional amendment twice in a newspaper of general circulation in each county is \$60,000.

In Fiscal Year 2007-2008, the state provided \$5,184,926 in funding to the Northwest Florida Water Management District. Of these funds, \$3,840,000 supported the ERP program, \$1,044,926 supported operations, and \$300,000 supported wetlands related activities. If this measure is adopted by voters and the Legislature increases the statutory cap, the Northwest Florida Water Management District's governing board could vote to set the actual millage rate such that it would no longer require subsidies from the state to support water management activities.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

If the proposed constitutional amendment is adopted, the Legislature would have to revise the Northwest Florida Water Management District's statutory cap before the district could increase the ad valorem rate.

CS/CS/SB 1294, which is the bill reenacting the Department of Environmental under the Florida Government Accountability Act, amends s. 373.503, F.S., to increase the statutory millage rate cap for the Northwest Florida Water Management District from 0.05 mills to .2 mills. The CS provides that the amendment to s. 373.503(3)(a), F.S., to increase the millage rate for the Northwest Florida Water Management District shall take effect on the effective date of the amendment to the State Constitution included in this joint resolution or similar legislation passed in the 2008 regular session of the Legislature and submitted to the electors of the state for their approval or rejection at the general election to be held in November 2008.

If the provision increasing the statutory millage rate cap for the Northwest Florida Water Management District becomes effective, the district may adjust their millage rate pursuant to s. 373.503, F.S., notwithstanding the provisions of s. 200.185, F.S., relating to maximum millage rates for FY 2007-2008 and FY 2008-2009.

CS/CS/SB 1294 was passed by the Senate on April 10, 2008.

### **VIII. Additional Information:**

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

**CS by General Government Appropriations on April 2, 2008:**

Senate Joint Resolution 1848 was originally filed as a shell bill expressing legislative intent to propose an amendment to Section 9 of Article VII of the State Constitution, relating to the water management districts. The General Government Appropriations Committee adopted the committee substitute as described in this bill analysis.

This bill places on the ballot an amendment to the State Constitution, which provides for a standard maximum millage rate of one mill for ad valorem taxes for water management purposes.

With the exception of the Northwest Florida Water Management District, the maximum constitutional millage rate for the state's water management districts is one mill, or one dollar per \$1,000 of assessed value. This bill removes the exception for the Northwest Florida Water Management District.

- B. **Amendments:**

None.