A bill to be entitled

An act relating to acquisition of state and state-owned lands; amending s. 253.025, F.S.; providing for appraisal process consistency; clarifying the appraisal requirement to require two appraisals when the estimated value of a parcel exceeds \$500,000; requiring a second appraiser to be selected by the Department of Agriculture and Consumer Services; requiring a third appraiser to be selected by the Department of Financial Services under certain circumstances; requiring the review appraiser to be selected by the Department of Financial Services; limiting the amount paid by the state in joint acquisitions with a local government or other entity apart from the state; amending s. 259.041, F.S.; conforming appraisal requirements; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

- Section 1. Paragraphs (a) and (c) of subsection (6) and paragraph (e) of subsection (7) of section 253.025, Florida Statutes, are amended to read:
- 253.025 Acquisition of state lands for purposes other than preservation, conservation, and recreation.--
- (6) Prior to negotiations with the parcel owner to purchase land pursuant to this section, title to which will vest in the board of trustees, an appraisal of the parcel shall be required as follows:

28

29

30

31

32

33

34

35

36

37

38

39

40

41 42

43

44

45

46

47

48 49

50 51

52

53

5455

Each parcel to be acquired shall have at least one appraisal. Two appraisals are required when the estimated value of the parcel exceeds \$500,000 \$1 million. When two appraisals are required, one appraiser shall be selected by the Department of Agriculture and Consumer Services. When both appraisals exceed \$500,000 and differ significantly, a third appraisal shall be obtained, with the Department of Financial Services selecting the third appraiser. Two appraisals shall be considered to differ significantly if the higher of the two values exceeds 120 percent of the lower value. When the estimated value of the parcel exceeds \$500,000, the review appraiser shall be selected by the Department of Financial Services. To provide for payment by the agency selecting the second and third appraisers and review appraiser, as required by this section, the Department of Environmental Protection shall enter into interagency agreements with the Department of Agriculture and Consumer Services and the Department of Financial Services, whereby funds will be transferred to those agencies for that purpose upon direction of the selecting agency. When a parcel is estimated to be worth \$100,000 or less and the director of the Division of State Lands finds that the cost of an outside appraisal is not justified, an appraisal prepared by the division may be used a comparable sales analysis or other reasonably prudent procedures may be used by the division to estimate the value of the parcel, provided the public's interest is reasonably protected. The state is not required to appraise the value of lands and appurtenances that are being donated to the state.

The board of trustees shall adopt by rule the minimum criteria, techniques, and methods to be used in the preparation of appraisal reports. Such rules shall incorporate, to the extent practicable, generally accepted appraisal standards. Any appraisal issued for acquisition of lands pursuant to this section must comply with the rules adopted by the board of trustees. A certified survey must be made which meets the minimum requirements for upland parcels established in the Minimum Technical Standards for Land Surveying in Florida published by the Department of Business and Professional Regulation and which accurately portrays, to the greatest extent practicable, the condition of the parcel as it currently exists. The requirement for a certified survey may, in part or in whole, be waived by the board of trustees any time prior to submitting the agreement for purchase to the Division of State Lands. When an existing boundary map and description of a parcel are determined by the division to be sufficient for appraisal purposes, the division director may temporarily waive the requirement for a survey until any time prior to conveyance of title to the parcel. The fee appraiser and the review appraiser for the agency shall not act in any way that may be construed as negotiating with the property owner.

(7)

56

57

58

59

60

61

62

63

64

65

66

67

68 69

70

71

72

73

74

75

76

77

78

79

80

81

82

83

(e)1. The board of trustees shall adopt by rule the method for determining the value of parcels sought to be acquired by state agencies pursuant to this section. No offer by a state agency, except an offer by an agency acquiring lands pursuant to s. 259.041, may exceed the value for that parcel as determined

Page 3 of 8

pursuant to the highest approved appraisal or the value determined pursuant to the rules of the board of trustees, whichever value is less.

- 2. In the case of a joint acquisition by a state agency and a local government or other entity apart from the state, the joint purchase price may not exceed 150 percent of the value for a parcel as determined in accordance with the limits prescribed in subparagraph 1. The state agency share of a joint purchase offer shall may not exceed the difference between the appraised value, as determined by the state, and the sum of the contributions of the other parties what the agency may offer singly as prescribed by subparagraph 1.
- 3. The provisions of this paragraph do not apply to the acquisition of historically unique or significant property as determined by the Division of Historical Resources of the Department of State.
- Section 2. Subsections (1) and (3) and paragraphs (b) and (d) of subsection (7) of section 259.041, Florida Statutes, are amended, and paragraph (e) is added to subsection (2) of that section, to read:
- 259.041 Acquisition of state-owned lands for preservation, conservation, and recreation purposes.--
- (1) Neither the Board of Trustees of the Internal Improvement Trust Fund nor its duly authorized agent shall commit the state, through any instrument of negotiated contract or agreement for purchase, to the purchase of lands with or without appurtenances unless the provisions of this section have been fully complied with. Except for the requirements of

Page 4 of 8

CODING: Words stricken are deletions; words underlined are additions.

subsections (3), <u>(7)</u>, (14), and (15), the board of trustees may waive any requirements of this section, may waive any rules adopted pursuant to this section, notwithstanding chapter 120, or may substitute other reasonably prudent procedures, provided the public's interest is reasonably protected. The title to lands acquired pursuant to this section shall vest in the board of trustees as provided in s. 253.03(1), unless otherwise provided by law, and all such titled lands shall be administered pursuant to the provisions of s. 253.03.

- (2) The board of trustees has authority to adopt rules pursuant to ss. 120.536(1) and 120.54 to implement the provisions of this section, including rules governing the terms and conditions of land purchases. Such rules shall address with specificity, but not be limited to:
- (e) Special requirements when multiple purchasers are involved in an acquisition.
- (3) No agreement to acquire real property for the purposes described in this chapter, chapter 260, or chapter 375, title to which will vest in the board of trustees, may bind the state unless and until the agreement has been reviewed and approved by the Department of Environmental Protection as complying with the requirements of this section and any rules adopted pursuant to this section. When the state is a party to a joint acquisition in which another entity is contributing to the agreed contract price, the state contribution shall not exceed the difference between the appraised value, as determined by the state, and the sum of the contributions of the other parties. Where any of the

following conditions exist, the agreement shall be submitted to and approved by the board of trustees:

- (a) The purchase price agreed to by the seller exceeds the value as established pursuant to the rules of the board of trustees;
- (b) The contract price agreed to by the seller and acquiring agency exceeds \$1 million;
- (c) The acquisition is the initial purchase in a project;
- (d) Other conditions that the board of trustees may adopt by rule. Such conditions may include, but not be limited to, projects where title to the property being acquired is considered nonmarketable or is encumbered in such a way as to significantly affect its management.

Where approval of the board of trustees is required pursuant to this subsection, the acquiring agency must provide a justification as to why it is in the public's interest to acquire the parcel or project. Approval of the board of trustees also is required for projects the department recommends acquiring pursuant to subsections (14) and (15). Review and approval of agreements for acquisitions for Florida Greenways and Trails Program properties pursuant to chapter 260 may be waived by the department in any contract with nonprofit corporations that have agreed to assist the department with this program.

(7) Prior to approval by the board of trustees or, when applicable, the Department of Environmental Protection, of any

Page 6 of 8

agreement to purchase land pursuant to this chapter, chapter 260, or chapter 375, and prior to negotiations with the parcel owner to purchase any other land, title to which will vest in the board of trustees, an appraisal of the parcel shall be required as follows:

167

168

169

170

171

172

173

174

175

176

177

178

179

180

181

182

183184

185

186

187

188

189

190

191

192

193

194

Each parcel to be acquired shall have at least one (b) appraisal. Two appraisals are required when the estimated value of the parcel exceeds \$500,000. When two appraisals are required, one appraiser shall be selected by the Department of Agriculture and Consumer Services. However, When both appraisals exceed \$500,000 and differ significantly, a third appraisal shall may be obtained, with the Department of Financial Services selecting the third appraiser. Two appraisals shall be considered to differ significantly if the higher of the two values exceeds 120 percent of the lower value. When the estimated value of the parcel exceeds \$500,000, the review appraiser shall be selected by the Department of Financial Services. To provide for payment by the agency selecting the second and third appraisers and review appraiser, as required by this section, the Department of Environmental Protection shall enter into interagency agreements with the Department of Agriculture and Consumer Services and the Department of Financial Services, whereby funds will be transferred to those agencies for that purpose upon direction of the selecting agency. When a parcel is estimated to be worth \$100,000 or less and the director of the Division of State Lands finds that the cost of obtaining an outside appraisal is not justified, an appraisal prepared by the division may be used. The state is not

required to appraise the value of lands and appurtenances that are being donated to the state.

(d) The fee appraiser and the review appraiser for the agency shall not act in any way that may be construed as negotiating with the property owner.

Notwithstanding the provisions of this subsection, on behalf of the board and before the appraisal of parcels approved for purchase under this chapter, the Secretary of Environmental Protection or the director of the Division of State Lands may enter into option contracts to buy such parcels. Any such option contract shall state that the final purchase price is subject to approval by the board or, when applicable, the secretary and that the final purchase price may not exceed the maximum offer allowed by law. The consideration for such an option may not exceed \$1,000 or 0.01 percent of the estimate by the department of the value of the parcel, whichever amount is greater.

Section 3. This act shall take effect July 1, 2008.