

LEGISLATIVE ACTION

Senate House

Comm: RCS 03/18/2013

The Committee on Transportation (Evers) recommended the following:

Senate Amendment (with title amendment)

Between lines 89 and 90 insert:

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Section 1. Section 337.25, Florida Statutes, is amended to read:

337.25 Acquisition, lease, and disposal of real and personal property.-

(1) (a) The department may purchase, lease, exchange, or otherwise acquire any land, property interests, or buildings or other improvements, including personal property within such buildings or on such lands, necessary to secure or utilize

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transportation rights-of-way for existing, proposed, or anticipated transportation facilities on the State Highway System, on the State Park Road System, in a rail corridor, or in a transportation corridor designated by the department. Such property shall be held in the name of the state.

- (b) The department may accept donations of any land or buildings or other improvements, including personal property within such buildings or on such lands with or without such conditions, reservations, or reverter provisions as are acceptable to the department. Such donations may be used as transportation rights-of-way or to secure or utilize transportation rights-of-way for existing, proposed, or anticipated transportation facilities on the State Highway System, on the State Park Road System, or in a transportation corridor designated by the department.
- (c) When lands, buildings, or other improvements are needed for transportation purposes, but are held by a federal, state, or local governmental entity and utilized for public purposes other than transportation, the department may compensate the entity for such properties by providing functionally equivalent replacement facilities. The providing of replacement facilities under this subsection may only be undertaken with the agreement of the governmental entity affected.
- (d) The department may contract pursuant to s. 287.055 for auction services used in the conveyance of real or personal property or the conveyance of leasehold interests under the provisions of subsections (4) and (5). The contract may allow for the contractor to retain a portion of the proceeds as compensation for the contractor's services.

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- (2) A complete inventory shall be made of all real or personal property immediately upon possession or acquisition. Such inventory shall include a statement of the location or site of each piece of realty, structure, or severable item an itemized listing of all appliances, fixtures, and other severable items; a statement of the location or site of each piece of realty, structure, or severable item; and the serial number assigned to each. Copies of each inventory shall be filed in the district office in which the property is located. Such inventory shall be carried forward to show the final disposition of each item of property, both real and personal.
- (3) The inventory of real property which was acquired by the state after December 31, 1988, which has been owned by the state for 10 or more years, and which is not within a transportation corridor or within the right-of-way of a transportation facility shall be evaluated to determine the necessity for retaining the property. If the property is not needed for the construction, operation, and maintenance of a transportation facility, or is not located within a transportation corridor, the department may dispose of the property pursuant to subsection (4).
- (4) The department may convey sell, in the name of the state, any land, building, or other property, real or personal, which was acquired under the provisions of subsection (1) and which the department has determined is not needed for the construction, operation, and maintenance of a transportation facility. With the exception of any parcel governed by paragraph (c), paragraph (d), paragraph (f), paragraph (g), or paragraph (i), the department shall afford first right of refusal to the

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local government in the jurisdiction of which the parcel is situated. When such a determination has been made, property may be disposed of through negotiations, sealed competitive bids, auctions, or any other means the department deems to be in its best interest. A sale may not occur at a price less than the department's current estimate of value, except as provided in paragraphs (a)-(d). The department may afford a right of first refusal to the local government or other political subdivision in the jurisdiction in which the parcel is situated, except in conveyances transacted under paragraph (a), paragraph (c), or paragraph (e) in the following manner:

- (a) If the value of the property has been donated to the state for transportation purposes and a facility has not been constructed for a period of at least 5 years, plans have not been prepared for the construction of such facility, and the property is not located in a transportation corridor, the governmental entity may authorize reconveyance of the donated property for no consideration to the original donor or the donor's heirs, successors, assigns, or representatives is \$10,000 or less as determined by department estimate, the department may negotiate the sale.
- (b) If the value of the property is to be used for a public purpose, the property may be conveyed without consideration to a governmental entity exceeds \$10,000 as determined by department estimate, such property may be sold to the highest bidder through receipt of sealed competitive bids, after due advertisement, or by public auction held at the site of the improvement which is being sold.
 - (c) If the property was originally acquired specifically to

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provide replacement housing for persons displaced by transportation projects, the department may negotiate for the sale of such property as replacement housing. As compensation, the state shall receive no less than its investment in such property or the department's current estimate of value, whichever is lower. It is expressly intended that this benefit be extended only to persons actually displaced by the project. Dispositions to any other person must be for no less than the department's current estimate of value, in the discretion of the department, public sale would be inequitable, properties may be sold by negotiation to the owner holding title to the property abutting the property to be sold, provided such sale is at a negotiated price not less than fair market value as determined by an independent appraisal, the cost of which shall be paid by the owner of the abutting land. If negotiations do not result in the sale of the property to the owner of the abutting land and the property is sold to someone else, the cost of the independent appraisal shall be borne by the purchaser; and the owner of the abutting land shall have the cost of the appraisal refunded to him or her. If, however, no purchase takes place, the owner of the abutting land shall forfeit the sum paid by him or her for the independent appraisal. If, due to action of the department, the property is removed from eligibility for sale, the cost of any appraisal prepared shall be refunded to the owner of the abutting land.

(d) If the department determines that the property will require significant costs to be incurred or that continued ownership of the property exposes the department to significant liability risks, the department may use the projected

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maintenance costs over the next 10 years to offset the property's value in establishing a value for disposal of the property, even if that value is zero property acquired for use as a borrow pit is no longer needed, the department may sell such property to the owner of the parcel of abutting land from which the borrow pit was originally acquired, provided the sale is at a negotiated price not less than fair market value as determined by an independent appraisal, the cost of which shall be paid by the owner of such abutting land.

- (e) If, in the discretion of the department, a sale to anyone other than an abutting property owner would be inequitable, the property may be sold to the abutting owner for the department's current estimate of value. The department begins the process for disposing of the property on its own initiative, either by negotiation under the provisions of paragraph (a), paragraph (c), or paragraph (d), or paragraph (i), or by receipt of sealed competitive bids or public auction under the provisions of paragraph (b) or paragraph (i), a department staff appraiser may determine the fair market value of the property by an appraisal.
- (f) Any property which was acquired by a county or by the department using constitutional gas tax funds for the purpose of a right-of-way or borrow pit for a road on the State Highway System, State Park Road System, or county road system and which is no longer used or needed by the department may be conveyed without consideration to that county. The county may then sell such surplus property upon receipt of competitive bids in the same manner prescribed in this section.
 - (g) If a property has been donated to the state for

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transportation purposes and the facility has not been constructed for a period of at least 5 years and no plans have been prepared for the construction of such facility and the property is not located in a transportation corridor, the governmental entity may authorize reconveyance of the donated property for no consideration to the original donor or the donor's heirs, successors, assigns, or representatives.

- (h) If property is to be used for a public purpose, the property may be conveyed without consideration to a governmental entity.
- (i) If property was originally acquired specifically to provide replacement housing for persons displaced by transportation projects, the department may negotiate for the sale of such property as replacement housing. As compensation, the state shall receive no less than its investment in such properties or fair market value, whichever is lower. It is expressly intended that this benefit be extended only to those persons actually displaced by such project. Dispositions to any other persons must be for fair market value.
- (j) If the department determines that the property will require significant costs to be incurred or that continued ownership of the property exposes the department to significant liability risks, the department may use the projected maintenance costs over the next 5 years to offset the market value in establishing a value for disposal of the property, even if that value is zero.
- (5) The department may convey a leasehold interest for commercial or other purposes, in the name of the state, to any land, building, or other property, real or personal, which was

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acquired under the provisions of subsection (1). However, a lease may not be entered into at a price less than the department's current estimate of value, except as provided in paragraphs (4)(a)-(d).

- (a) A lease may be through negotiations, sealed competitive bids, auctions, or any other means the department deems to be in its best interest The department may negotiate such a lease at the prevailing market value with the owner from whom the property was acquired; with the holders of leasehold estates existing at the time of the department's acquisition; or, if public bidding would be inequitable, with the owner holding title to privately owned abutting property, if reasonable notice is provided to all other owners of abutting property. The department may allow an outdoor advertising sign to remain on the property acquired, or be relocated on department property, and such sign shall not be considered a nonconforming sign pursuant to chapter 479.
- (b) If, in the discretion of the department, a lease to a person other than an abutting property owner or tenant with a leasehold interest in the abutting property would be inequitable, the property may be leased to the abutting owner or tenant for no less than the department's current estimate of value All other leases shall be by competitive bid.
- (c) No lease signed pursuant to paragraph (a) or paragraph (b) shall be for a period of more than 5 years; however, the department may renegotiate or extend such a lease for an additional term of 5 years as the department deems appropriate without rebidding.
 - (d) Each lease shall provide that, unless otherwise

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directed by the lessor, any improvements made to the property during the term of the lease shall be removed at the lessee's expense.

- (e) If property is to be used for a public purpose, including a fair, art show, or other educational, cultural, or fundraising activity, the property may be leased without consideration to a governmental entity or school board. A lease for a public purpose is exempt from the term limits in paragraph (c).
- (f) Paragraphs (c) and (e) (d) do not apply to leases entered into pursuant to s. 260.0161(3), except as provided in such a lease.
- (g) No lease executed under this subsection may be utilized by the lessee to establish the 4 years' standing required by s. 73.071(3)(b) if the business had not been established for the specified number of 4 years on the date title passed to the department.
- (h) The department may enter into a long-term lease without compensation with a public port listed in s. 403.021(9)(b) for rail corridors used for the operation of a short-line railroad to the port.
- (6) Nothing in this chapter prevents the joint use of right-of-way for alternative modes of transportation; provided that the joint use does not impair the integrity and safety of the transportation facility.
- (7) The department's estimate of value, required by subsections (4) and (5), shall be prepared in accordance with department procedures, guidelines, and rules for valuation of real property. If the value of the property exceeds \$50,000, as

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determined by the department estimate, the sale or lease must be at a negotiated price not less than the estimate of value as determined by an appraisal prepared in accordance with department procedures, guidelines, and rules for valuation of real property, the cost of which shall be paid by the party seeking the purchase or lease of the property appraisal required by paragraphs (4)(c) and (d) shall be prepared in accordance with department guidelines and rules by an independent appraiser who has been certified by the department. If federal funds were used in the acquisition of the property, the appraisal shall also be subject to the approval of the Federal Highway Administration.

- (8) A "due advertisement" under this section is an advertisement in a newspaper of general circulation in the area of the improvements of not less than 14 calendar days prior to the date of the receipt of bids or the date on which a public auction is to be held.
- $(8) \frac{(9)}{(9)}$ The department, with the approval of the Chief Financial Officer, is authorized to disburse state funds for real estate closings in a manner consistent with good business practices and in a manner minimizing costs and risks to the state.
- (9) (10) The department is authorized to purchase title insurance in those instances where it is determined that such insurance is necessary to protect the public's investment in property being acquired for transportation purposes. The department shall adopt procedures to be followed in making the determination to purchase title insurance for a particular parcel or group of parcels which, at a minimum, shall set forth

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criteria which the parcels must meet.

(10) This section does not modify the requirements of s. 73.013.

Section 2. If the Federal Government approves a program that allows participation in the maintenance of highway roadside rights-of-way through monetary contributions in exchange for recognition of services provided in the form of organic corporate emblems placed in view of passing motorists, the Department of Transportation shall submit the program for legislative approval in the next regular legislative session.

========== T I T L E A M E N D M E N T ============== And the title is amended as follows:

Delete lines 2 - 6 and insert:

An act relating to transportation; amending s. 337.25, F.S.; authorizing the Department of Transportation to use auction services in the conveyance of certain property or leasehold interests; revising certain

inventory requirements; revising provisions and providing criteria for the department to dispose of certain excess property; providing such criteria for the disposition of donated property, property used for a public purpose, or property acquired to provide replacement housing for certain displaced persons; providing value offsets for property that requires significant maintenance costs or exposes the

department to significant liability; providing

procedures for the sale of property to abutting

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property owners; deleting provisions to conform to changes made by the act; providing monetary restrictions and criteria for the conveyance of certain leasehold interests; providing exceptions to restrictions for leases entered into for a public purpose; providing criteria for the preparation of estimates of value prepared by the department; providing that the requirements of s. 73.013, F.S., relating to eminent domain, are not modified; providing that certain programs approved by the Federal Government relating to the maintenance of highway roadside rights-of-way must be submitted to the Legislature for approval; amending provisions of ch. 479, F.S., relating to outdoor advertising signs; amending s. 479.01, F.S.; revising and deleting definitions; amending s. 479.02, F.S.; revising powers of the department relating to