

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 Appropriations Subcommittee on General Government

BILL: PCS/CS/SB 546 (724450)

INTRODUCER: Appropriations Subcommittee on General Government; Environmental Preservation and Conservation Committee; and Senator Simpson

SUBJECT: Sale or Exchange of Lands

DATE: January 25, 2016

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Istler</u>	<u>Rogers</u>	<u>EP</u>	<u>Fav/CS</u>
2.	<u>Howard</u>	<u>DeLoach</u>	<u>AGG</u>	<u>Recommend: Fav/CS</u>
3.	_____	_____	<u>AP</u>	_____

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Technical Changes

I. Summary:

PCS/CS/SB 546:

- Revises the noticing requirements that a water management district must adhere to when selling or exchanging lands, or interests or rights in lands;
- Provides an expedited process for selling surplus lands that are valued at \$25,000 or less;
- Extends the timeframe in which a certified appraisal has to be obtained for determining the minimum pricing at which land may be sold from 120 days to 360 days before the sale;
- Exempts any portion of a parcel of land acquired with Florida Forever funds which was deemed surplus at the time it was acquired from the requirement that title for such lands be first offered to the Board of Trustees of the Internal Improvement Trust Fund; and
- Authorizes a water management district to include a restriction on the future use of the surplus parcel as a term and condition of sale.

The bill has an indeterminate positive fiscal impact.

The bill provides an effective date of July 1, 2016.

II. Present Situation:

A governing board of a water management district is authorized to acquire real property for the conservation and protection of water and water-related resources.¹ Collectively, the water management districts hold approximately 32.5 percent of the total land owned by the state.² The following is a breakdown of the land in acres owned by each water management district:

- Northwest Florida Water Management District: 193,165.
- Suwannee River Water Management District: 157,704.
- St. Johns River Water Management District: 472,825.
- Southwest Florida Water Management District: 307,728.
- South Florida Water Management District: 689,500.³

Sections 373.056 and 373.089, F.S., establishes the manner in which water management districts may dispose of lands, or interests or rights in lands. Before lands, or interests or rights in lands, are disposed, the governing board of a water management district must determine that the parcel of land is no longer needed, or surplus. Lands that are determined surplus may be offered for public bid and sold pursuant to s. 373.089, F.S., conveyed by a district to another governmental entity pursuant to s. 373.056, F.S., or used in potential real estate exchange transactions.

The governing board of a water management district may sell lands determined to be surplus at any time. The disposal of surplus lands requires a majority vote of the governing board. The disposal of surplus lands that were acquired for conservation purposes requires a determination that the lands are no longer needed for conservation purposes and a two-thirds vote of the governing board.⁴

A water management district must first offer title to surplus lands that were acquired in whole or in part with Florida Forever funds to the Board of Trustees of the Internal Improvement Trust Fund, unless the disposition of lands is for any one of the following purposes:

- Linear facilities, such as transmission and distribution facilities.
- Dispositions of the fee interest in the land where a conservation easement is retained by the district to fulfill the conservation objectives for which the land was acquired.
- An exchange of the land for other lands that meet or exceed the conservation objections for which the original land was acquired.
- Dispositions of lands, or rights or interests in lands, to be used by a governmental entity for a public purpose.⁵

Before selling surplus lands, a district must publish a notice of intention to sell, which includes a description of the lands to be offered for sale, in a newspaper circulated in the county in which the land is located once each week for three consecutive weeks, with the first publication being not less than 30 days nor more than 45 days before any sale.⁶ Surplus lands must be sold for the

¹ Section 373.139, F.S.

² State of Florida Lands and Facilities Inventory Search (SOLARIS), *State Lands Dashboard*, <http://webapps.dep.state.fl.us/DslPI/stateLandDashboard.action> (last visited Nov. 16, 2015).

³ *Id.*

⁴ Section 373.089, F.S.

⁵ *Id.*

⁶ *Id.*

highest price obtainable, which may not be less than the appraised value of the lands as determined by a certified appraisal obtained within 120 days before the sale.⁷

Where the proceeds from the sale of surplus lands go depends on the source of funds that were initially used to buy the land. In most cases, the proceeds go to the fund from which the lands were acquired to be used for the purchase of acquiring additional lands, or the proceeds are used for payment of debt service on revenue bonds or notes issued under s. 373.584, F.S.⁸

III. Effect of Proposed Changes:

The bill extends the timeframe in which a certified appraisal has to be obtained for determining the minimum price at which the land may be sold from 120 days to 360 days before the sale. The bill clarifies that the timing is measured by the effective date of the contract for sale, rather than “the sale.” The bill revises the period from which the first publication of the required notice must occur to not more than 360 days before any sale, rather than 45 days.

The bill exempts any portion of a parcel of land acquired with Florida Forever funds which was deemed surplus at the time it was acquired from the requirement that title for such lands be first offered to the Board of Trustees of the Internal Improvement Trust Fund.

The bill provides an expedited process for the sale of surplus lands valued at \$25,000 or less, as determined by a certified appraisal obtained within 360 days before any sale. This process enables a water management district to sell a parcel of land quicker than the minimum of 45 days required under current law.

Instead of requiring a governing board to publish a notice of intention to sell in a newspaper circulated in the county in which a parcel of land valued at \$25,000 or less is situated for three consecutive weeks, the bill requires a governing board to publish the notice of intention to sell one time only. Additionally, the governing board must send notice to adjacent property owners by certified mail and publish the notice on its website. Fourteen days after publication of such notice, the bill authorizes a water management district to sell such a parcel to an adjacent property owner or accept sealed bids if there are two or more owners of adjacent property and sell the parcel to the highest bidder. Thirty days after publication of such notice, the bill authorizes a water management district to accept sealed bids and sell such a parcel to the highest bidder. The bill authorizes a water management district to reject all offers in either case.

The bill authorizes a water management district to include a restriction on the future use of the surplus parcel as a term and condition of sale.

The bill has an effective date of July 1, 2016.

⁷ *Id.*

⁸ Section 373.139(6), F.S.

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:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

PCS/CS/SB 546 authorizes the water management districts to sell parcels of land valued at \$25,000 or less through an expedited process which could have a positive fiscal impact to the districts. The number of parcels that may qualify for this type of sale is unknown; therefore, the potential revenue to the water management districts is indeterminate.

Payment in lieu of taxes to eligible counties may be decreased if surplus lands are sold which could reduce costs for those counties that receive funds from the water managements or the state for this purpose.

VI. Technical Deficiencies:

The term “sale” was amended in subsection (1) to “the effective date of the contract for sale” for clarification. In subsection (8), the language authorizing an expedited process for selling parcels valued at \$25,000 or less, the term “sale” is used. For consistency, this should be amended to “the effective date of the contract for sale.”

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 373.089 of the Florida Statutes.

IX. Additional Information:

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

Recommended CS/CS by Appropriations Subcommittee on General Government on January 21, 2016:

The CS to clarifies that the water management district is authorized to sell surplus lands valued at \$25,000 or less fourteen days after publication of intention to sell the property. It also clarifies that the water management district is authorized to accept sealed bids thirty days after publication of intention to sell the property.

CS by Environmental Preservation and Conservation on November 18, 2015:

The CS revises the noticing requirements a water management district must adhere to before selling any surplus land, or interest or rights in land, to require the first publication of the notice to occur at least 360 days before any sale, rather than 45 days.

- B. **Amendments:**

None.