1 A bill to be entitled 2 An act relating to enhancement and mitigation credits; 3 amending s. 373.403, F.S.; defining the term "project 4 sponsor"; amending s. 373.4134, F.S.; revising 5 legislative findings; revising provisions for the sale 6 and use of water quality enhancement credits; amending 7 s. 373.4135, F.S.; revising legislative findings and 8 intent; requiring governmental entities to consider 9 unsolicited proposals from private entities for mitigation bank projects on public lands; authorizing 10 11 governmental entities to solicit such proposals; 12 providing requirements for such mitigation banks; 13 requiring the Department of Environmental Protection 14 and water management districts to consider certain 15 information in determining credits for such mitigation 16 banks; providing applicability; providing an effective 17 date. 18 19 Be It Enacted by the Legislature of the State of Florida: 20 Subsection (23) is added to section 373.403, 21 Section 1. 22 Florida Statutes, to read:

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rule, regulation, or order adopted pursuant thereto, the

373.403 Definitions.—When appearing in this part or in any

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following terms mean:

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(23) "Project sponsor" means a private entity that has entered into an agreement with a governmental entity to establish and operate a mitigation bank pursuant to s. 373.4135(8).

Section 2. Paragraphs (b), (d), and (e) of subsection (1), paragraph (b) of subsection (3), and paragraphs (a) and (j) of subsection (7) of section 373.4134, Florida Statutes, are amended to read:

373.4134 Water quality enhancement areas.-

- (1) LEGISLATIVE FINDINGS AND INTENT.—The Legislature finds that:
- (b) An expansion of existing authority for regional treatment to include offsite compensatory treatment in water quality enhancement areas to make enhancement credits available for purchase by governmental entities <u>or applicants</u> to address impacts regulated under this part is needed.
- (d) Water quality enhancement areas are a valuable tool to assist <u>applicants</u> governmental entities in satisfying the net improvement performance standard under s. 373.414(1)(b)3. to ensure significant reductions of pollutant loadings.
- (e) Water quality enhancement areas that provide water quality enhancement credits to <u>applicants</u> governmental entities seeking permits under this part and governmental entities seeking to meet an assigned basin management action plan allocation or reasonable assurance plan under s. 403.067 are

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considered an appropriate and permittable option.

- (3) WATER QUALITY ENHANCEMENT AREAS.-
- (b) Water quality enhancement credits may be sold enly to governmental entities seeking to meet an assigned basin management action plan allocation or reasonable assurance plan or to applicants for the purpose of achieving the net improvement performance standard under s. 373.414(1)(b)3. after the governmental entity has provided reasonable assurances have been provided assurance of meeting department rules for design and construction of all onsite stormwater management as required by chapter 62-330, Florida Administrative Code.
  - (7) ENHANCEMENT CREDITS.-
- (a) The department or water management district shall authorize the sale and use of enhancement credits to applicants governmental entities to address adverse water quality impacts of activities regulated under this part or to assist governmental entities seeking to meet required nonpoint source contribution reductions assigned in a basin management action plan or reasonable assurance plan under s. 403.067.
- (j) Notwithstanding any other law, this section does not limit or restrict the authority of the department to deny the use of enhancement credits when the department is not reasonably assured that the use of the credits will not cause or contribute to a violation of water quality standards, even if the project being implemented by the governmental entity or applicant is

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within the enhancement service area. The department may allow the use of enhancement credits if the department receives a request for the use of enhancement credits and determines that such use will not cause or contribute to a violation of water quality standards.

Section 3. Subsection (1) of section 373.4135, Florida Statutes, is amended and subsection (8) is added to that section to read:

373.4135 Mitigation banks and offsite regional mitigation.—

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(1)The Legislature finds that the adverse impacts of activities regulated under this part may be offset by the creation, maintenance, and use of mitigation banks and offsite regional mitigation. Mitigation banks and offsite regional mitigation can enhance the certainty of mitigation and provide ecological value due to the improved likelihood of environmental success associated with their proper construction, maintenance, and management. Therefore, the department and the water management districts are directed to participate in and encourage the establishment of private and public mitigation banks and offsite regional mitigation on public and private lands. Mitigation banks and offsite regional mitigation should emphasize the restoration and enhancement of degraded ecosystems and the preservation of uplands and wetlands as intact ecosystems rather than alteration of landscapes to create

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wetlands. This is best accomplished through restoration of ecological communities that were historically present.

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- (a) The Legislature intends that the provisions for establishing mitigation banks apply equally to both public and private entities, except that the rules of the department and water management districts may set forth different measures governing financial responsibility, and different measures governing legal interest, needed to ensure the construction and perpetual protection of a mitigation bank.
- The Legislature recognizes the importance of mitigation banks as an appropriate and allowable mitigation alternative to permittee-responsible mitigation. However, the Legislature also recognizes that certain timing and geographical constraints could result in the unavailability of mitigation bank credits for a certain project upon completion of the project's application. If state and federal mitigation credits are not available to offset the adverse impacts of a project, a local government may allow permittee-responsible mitigation consisting of the restoration or enhancement of lands purchased and owned by a local government for conservation purposes, and such mitigation must conform to the permitting requirements of s. 373.4136. Except when a local government has allowed a public or private permittee-responsible mitigation project to be created on land it has purchased for conservation purposes pursuant to this paragraph, a governmental entity may not create

or provide mitigation for a project other than its own unless
the governmental entity uses land that was not previously
purchased for conservation and unless the governmental entity
provides the same financial assurances as required for
mitigation banks permitted under s. 373.4136. This paragraph
does not apply to:

1. Mitigation banks permitted before December 31, 2011, under s. 373.4136;

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- 2. Offsite regional mitigation areas established before December 31, 2011, under subsection (6) or, when credits are not available at a mitigation bank permitted under s. 373.4136, mitigation areas created by a local government which were awarded mitigation credits pursuant to the uniform mitigation assessment method as provided in chapter 62-345, Florida Administrative Code, under a permit issued before December 31, 2011;
- 3. Mitigation for transportation projects under ss. 373.4137 and 373.4139;
- 4. Mitigation for impacts from mining activities under s. 373.41492;
  - 5. Mitigation provided for single-family lots or homeowners under subsection (7);
    - 6. Entities authorized in chapter 98-492, Laws of Florida;
- 7. Mitigation provided for electric utility impacts certified under part II of chapter 403; or

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8. Mitigation provided on sovereign submerged lands under subsection (6).

- (c) It is the further intent of the Legislature that mitigation banks and offsite regional mitigation be considered appropriate and a permittable mitigation option under the conditions specified by the rules of the department and water management districts.
- (d) Offsite mitigation, including offsite regional mitigation, may be located outside the regional watershed in which the adverse impacts of an activity regulated under this part are located, if such adverse impacts are offset by the offsite mitigation.
- (e) The department or water management district may allow the use of a mitigation bank or offsite regional mitigation alone or in combination with other forms of mitigation to offset adverse impacts of activities regulated under this part.
- (f) When an applicant for a permit under the provisions of this part other than this section and s. 373.4136 submits more than one mitigation proposal to the department or a water management district, the department or water management district shall, in evaluating each proposal, ensure that such proposal adequately offsets the adverse impacts.
- (8) A governmental entity must consider unsolicited proposals or may solicit proposals from private entities for mitigation bank projects on public lands pursuant to the process

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176 set forth in s. 255.065 or other established public procurement
177 process.

- (a) For a mitigation bank established and operated by a private entity on public land, the governmental entity and private entity shall enter into an agreement requiring the private entity to:
  - 1. Serve as the project sponsor.

- 2. Comply with the permitting requirements of s. 373.4136.
- 3. Comply with any permits or authorizations for all mitigation bank functions, including, but not limited to, funding for wetland creation, enhancement, or restoration activities, financial assurances, and any required monitoring, reporting, and maintenance.
- 4. Pay a usage fee to the governmental entity that reflects the market value of the public land as determined by a competitive process pursuant to state law or other method of assurance that fully accounts for the cost of using the public land in the pricing of mitigation credits.
- (b) In determining the number of mitigation bank credits assigned to the mitigation bank, the department or water management district shall consider the conservation status of the public land in the location factor pursuant to the uniform mitigation assessment method.
- (c) This subsection applies to drainage basins or corresponding hydrologic units when the applicant demonstrates

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201	to the department or water management district that state or
202	federal in-kind mitigation credits are not available.
203	Section 4. This act shall take effect July 1, 2024.

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