

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCB GAAC 09-03 Water Management Districts

SPONSOR(S): Government Accountability Act Council

TIED BILLS: **IDEN./SIM. BILLS:**

	REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
Orig. Comm.:	Government Accountability Act Council		Zeiler	Hansen
1)				
2)				
3)				
4)				
5)				

SUMMARY ANALYSIS

The Government Accountability Act requires each agency and related advisory councils to be reviewed by the Legislature according to a prescribed ten-year schedule. If the Legislature does not take action, the agency will continue to be subject to an annual sunset review each year until the Legislature enacts legislation that continues, modifies, or terminates the agency. While the Water Management Districts (WMDs) were scheduled to be reviewed by July 1, 2008, the Legislature did not take final action during the 2008 regular session.

The Proposed Council Bill (bill) makes a number of changes based upon the reviews and recommendations that occurred during the sunset review process. The bill:

- Provides a finite period a basin board member may serve beyond expiration of the appointment term.
- Reduces the number of members on the Manasota Basin Board.
- Eliminates the Oklawaha River Basin Advisory Board.
- Establishes the Florida Water Management District Governing Board Nominating Council (council).
- Provides for the membership, meeting, organization, staffing and funding of the council.
- Requires the council to establish uniform policies and procedures governing the process an applicant for a WMD governing board (board) is nominated as a candidate for gubernatorial appointment.
- Establishes candidate eligibility prerequisites.
- Requires the council to nominate a minimum number of candidates and to designate a primary candidate.
- Requires the Governor to make appointments to WMD boards from a list of candidates nominated by the council.
- Sets a 60-day time frame for the Governor’s action on council recommendations and provides for the appointment of a primary candidate, in the event of no action by the Governor within the 60-day time frame.
- Requires WMD boards to delegate authority to approve consumptive use and environmental resource permits to the executive directors.
- Changes the WMD fiscal year to July 1 through June 30 and revises related time frames for budget submission, legislative comments and reporting final adopted budgets.
- Prohibits the issuance of certificates of participation as revenue bonds.
- Removes the ten total payment cap for non-consecutive payment in lieu of taxes made to small counties on land parcels that are leased or reserved and remain subject to ad valorem taxation and then are subsequently removed when used for state or water management district purposes.

The bill has an effective date of July 1, 2009, except as expressly provided therein.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: pcb03.GAAC.doc

DATE: 3/12/2009

HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Overview

Sections 11.901-11.920, F.S., the "Florida Government Accountability Act," creates an agency sunset review process to determine if a public need exists for the continuation of a state agency, its advisory committees, or its programs. The act requires each agency and related advisory councils to be reviewed by the Legislature according to a prescribed ten-year schedule. If the Legislature does not take action before the review date to reenact the agency or its advisory committees, the agency will continue to be subject to an annual sunset review until the Legislature enacts legislation relating to the agency's abolition, continuation, or reorganization.

Sunset Review Process

The act requires the appointment of a Joint Legislative Sunset Committee to oversee the review process, obtain public input, and make recommendations to abolish, continue, or reorganize the agency under review.

Two reports are required prior to an agency's review date:

- No later than 2 years preceding the year in which an agency and its advisory committees are scheduled to be reviewed, the agency must provide the Legislature with a preliminary report detailing its programs and activities. Upon receipt of the agency's report, the sunset review committees of the Senate and House of Representatives are required to conduct independent reviews of the agency and its advisory committees. The Office of Program Policy Analysis and Government Accountability (OPPAGA) and the Auditor General are required to assist the Senate and House of Representatives in the review process.
- No later than March 1 of the year in which an agency is scheduled to be reviewed, the sunset committees of the Senate and House of Representatives are required to provide the President of the Senate and Speaker of the House of Representatives with recommendations on the abolition, continuation, or reorganization of each state

agency and its advisory committees, and on the need for the performance of the functions of the agency and its advisory committees.

Recommendations

The Joint Legislative Sunset Committee, Senate Committee on Environmental Preservation and OPPAGA have prepared various reports and memorandums regarding the sunset review of WMD. Their recommendations are summarized in bullet format below with earliest date first.

OPPAGA–December 2007 (Governance)

- Require the Legislative Budget Commission to review and comment on WMD budgets.
- Revise the dates for the WMD budget review process to match the state fiscal year.
- Direct the WMDs with basin boards to assess the value of the basin boards.
- Eliminate the WMDs' authority to designate basin boards.
- Require the election of WMD governing board members.

OPPAGA–January 2008 (Land Management)

- Increase cooperative agreements with other agencies to perform some of the WMDs' conservation land management activities.
- Increase vehicle access to and availability of recreational activities on WMDs' lands.
- Limit WMDs' land management activities to mission critical activities.
- Establish and report comprehensive performance information.
- Centralize the WMDs' land management activities under Department of Environmental Protection (DEP).

OPPAGA –February 2008 (WMD Budgets)

- Increase less-than-fee acquisitions, allowing the WMD to acquire and protect resources at a reduced cost, and the land remains in private ownership.
- Lease WMDs' lands for purposes including agriculture, silviculture, livestock grazing, and hunting.
- Limit land management activities to only mission critical functions such as prescribed burning and restoring natural water flow, reducing funding for expanding public access and recreational activities such as improving access roads and recreational facilities (e.g., campgrounds and trails).
- Increase cooperative land management agreements, shifting land management activities to other agencies (e.g., Department of Agriculture and Consumer Services, DEP, Fish and Wildlife Conservation Commission, local governments, or federal agencies).
- Increase use of volunteers and inmate labor for land management activities (e.g., trail development, trash removal, and removal of invasive nonnative plants)
- Review permitting criteria, delegating additional authority to staff in taking final action on permit applications. Denials of permit applications would remain a governing board final action.
- Reprioritize compliance activities, reducing the amount of regulatory compliance activities conducted through a risk-based approach that would emphasize public safety and protection of environmentally sensitive areas.
- Delay or eliminate land acquisition programs.
- Sell lands that are no longer needed for the purposes for which they were acquired.
- Reduce, delay or eliminate funding for water supply and water restoration projects.

- Modify water-related tax structures to reduce reliance on ad valorem tax revenue.
- Charge fees for access to and use of WMD-owned lands.
- Institute a re-inspection fee for continued non-compliance with permit conditions and WMD regulations.
- Merge Northwest Florida and Suwannee River WMDs.
- Modify permit fees to avoid reliance on local ad valorem tax revenues.

OPPAGA–February 2008 (Environmental Resource Permitting (ERP))

- Mandate the WMDs to increase efforts to educate permit applicant on the regulatory requirements in order to expedite the permitting process.
- Adjust permit fees to avoid ad valorem tax subsidization of the activity.
- Mandate the permitting agencies (WMDs and DEP) increase coordination and move toward a 'one-stop permitting' process

Joint Legislative Sunset Committee–March 2008

- Change the WMDs' tentative budget submission date from August 1 to February 15.
- Assess the feasibility of consolidating the Southwest Florida WMDs' eight basin boards into three regional basins based on ground water.
- Abolish four advisory councils (Ocklawaha River, Harris Chain of Lakes, Lake Panasofkee, and Citrus/Hernando Waterways).

Senate Committee on Environmental Preservation and Conservation–February 2008

- Continue the WMDs.
- Repeal the following advisory councils: Harris Chain of Lakes, Ocklawaha River Basin, Lake Panasoffkee Restoration, and Citrus/Hernando Waterways.
- Continue the appointment of Governing Board members and consider amending current statutes concerning general Governing Board issues to:
 - Require that all Governing Board appointments reflect the population demographics of the WMD.
 - Reduce the Southwest Florida Governing Board back to its original configuration of nine members.
 - Reduce the number of Governing Boards members from nine to seven for the Northwest Florida and Suwannee River WMDs.
 - Reapportion the current Governing Board for Southwest Florida and South Florida to accurately reflect population shifts in those WMDs.
 - Require that the legislatively established statutory ad valorem caps sunset every five years.
 - Require the WMDs' budgets to be done on a state fiscal year.
 - Require the WMDs to make budget presentations during the annual Regular Session of the Legislature.
 - Require the Governor and Cabinet sitting as the Land and Water Adjudicatory Commission to adopt the WMDs' budgets.
 - Provide authority for the Governing Boards to utilize communications technology for conducting their meetings.
 - Establish uniform statutory guidelines for the delegation of administrative board decisions to the Executive Director.

- Direct OPPAGA to evaluate and make recommendations on the relative merits and modifications needed to agency performance measures.
- Retain the Water Resources Planning and Monitoring Program and consider:
 - Directing the WMDs to redesign performance measures for MFLs in order to ensure they more accurately reflect the costs of their establishment.
 - Directing the WMDs to redesign performance measures used to reflect the cost of collecting hydrological data to ensure that all WMDs are using the same methodology.
 - Directing the WMDs to eliminate the “Other Water Resources Planning and Monitoring Activity” from the budget.
- Retain the Acquisition, Restoration and Public Works Program and consider:
 - Commissioning an interim report or OPPAGA study to determine the potential efficiencies that could be realized by merging certain land acquisition practices among state agencies and the WMDs.
 - Directing the WMDs to replace the current performance measure with one that provides cost and production information by specific water supply or water resource development project.
 - Commissioning an interim report or OPPAGA study to determine the potential for combining the SWIM program and the TMDL program.
 - Directing the WMDs to eliminate the following activities from the budget: “Other Cooperative Projects,” “Facilities Construction and Major Renovations,” and “Other Acquisition and Restoration Activities.”
- Retain the Operation and Maintenance of Lands and Works Program and consider:
 - Amending the statute that details the permissible uses of lands acquired under Florida Forever or other acquisition efforts to correct an apparent duplication that details their potential use for water resource and water supply development projects.
 - Directing the WMDs to eliminate the “Facilities” activity from the budget.
- Retain the Regulation Program and consider:
 - Requiring that the issuance of Consumptive Use Permits (CUP) and ERPs be delegated to the Executive Director.
 - Establishing permit fee baselines for CUPs and ERPs.
 - Commissioning an interim report or OPPAGA study to determine if efficiencies or financial benefits can be realized by creating a uniform method for the WMDs to implement the “Water Well Construction, Permitting, and Licensing” activity.
 - Amending the statutes to require the delegation of the ERP program to local governments provided certain conditions are satisfied.
 - Directing the WMDs to evaluate and modify the process for tracking permit costs for water well permits.
 - Adopting a Joint Resolution to raise the constitutional millage cap for the Northwest Florida WMD from 0.05 mills to 1.00 mills and implementing legislation to raise the statutory cap to 0.20 mills.
 - Amending the Underground Injection Control statutory provisions to conform them to federal law and the state program.
- Retain the Outreach and Public Education Program and consider:
 - Directing the WMDs to merge the “Water Resources Education,” “Public Information,” and “Public Relations” activities into a single activity.

- Directing the WMDs and the DEP to evaluate current outreach efforts to determine if a state wide approach could provide greater efficiency.
- Amending statutes to permit the WMDs to utilize electronic posting of certain rule development and procurement solicitations.
- Amending statutes to eliminate an existing cap on certain expenditures for promotion, advertisement, and improvement of the programs and objectives of the WMDs, or clarifying what specific types of expenditures are included under this provision.
- Directing the WMDs to eliminate the “Other Outreach Activities” activity from the budget.
- Consider the following options concerning Basin Boards:
 - Repeal the boards and modify the statutes to prohibit them from being established.
 - Allow the ex-officio WMD Governing Board members to vote.
 - Merge the Alafia River, Hillsborough River, Northwest Hillsborough, and Pinellas-Anclote River basins.
 - Repeal the Green Swamp Basin and the Okeechobee Basin.

Senate Committee on Environmental Preservation and Conservation–October 2008

- The Senate issued a revised report containing all of the recommendations of the of the February report with the addition of the following general Governing Board issue: The Legislature should adopt a procedure, modeled after the Public Service Commission Nominating Council, for selecting governing board members.

Current Situation and Background

Water Management Districts Governing Boards

The mission of the WMDs is to implement the provisions of Chapter 373, Florida Statutes, also known as the Florida Water Resources Act of 1972 (act). Direct oversight for each WMD’s activities is provided by a governing board whose members are appointed by the Governor and subject to confirmation by the Florida Senate¹. Each board in turn hires an executive director who must also be confirmed by the Florida Senate. Members must be selected from candidates who have significant experience in one or more of the following areas, including, but not limited to: agriculture, the development industry, local government, government-owned or privately owned water utilities, law, civil engineering, environmental science, hydrology, accounting, or financial business. Vacancies are to be filled according to specified residency requirements.

Chapter 373, F.S., confers power to the WMD boards either directly or indirectly through shared responsibility with the DEP. Specifically, s. 373.083, F.S., provides for their general powers and duties. These are:

- Enter into contracts with public agencies, private corporations, or other persons.
- To appoint and remove agents and employees.
- Issue orders to implement or enforce any of the provisions or regulations of Chapter 373, F.S.
- Make surveys and investigations of the water supply and water resources of their respective WMDs.
- Solicit and accept donations or grants from both public and private sources for any WMD activity.

¹ Section 373.073, F.S.

- Exercise any delegation and to sub-delegate to WMD staff.

Such delegation of the consumptive use permitting or the environmental resource permitting programs must include a process by which permit denials may be taken to the Governing Board for final action.

In implementing the act, the WMDs seek to manage water and related natural resources to ensure their continued availability while maximizing environmental, economic and recreational benefits. Central to the mission is maintaining the balance between the water needs of current and future users while protecting and maintaining water and related natural resources. In addition to responsibilities authorized in Chapter 373, F.S., the WMD have been assigned a wide range of additional programs, initiatives and actions. Though the original mission of flood control remains central to their operations, WMDs now have responsibilities in many environmental arenas. These include:

- Consumptive Use Permitting
- Environmental Resource Permitting
- Surface Water Improvement and Management
- Uses of WMD lands, canals, streams or aquifers
- Drainage system construction or operation
- Well construction and well contractor licensing
- Land acquisition and management
- Public education

Water Management District Budget Review and Fiscal Year

The process for the adoption of WMD budgets originated in 1949 with the creation of flood control districts under Chapter 378, F.S. Under that process, the fiscal year for the flood control districts was July 1 through June 30. No executive or legislative branch review of the budgets was provided for in statute. In 1972, the Water Resources Act of 1972 created the five WMDs and incorporated the budget review provisions of Chapter 378, F.S., into Part V of Chapter 373, F.S., creating section 373.536, F.S. No change was made to the fiscal year or to the review process.

As part of an omnibus finance and taxation bill in 1974 addressing numerous issues relating to ad valorem taxation, the fiscal year for the WMDs was changed to October 1 through September 30.

In 1991, subsection (5) was added to s. 373.536, F.S., to require that all WMD “tentative” budgets be submitted to the Department of Environmental Regulation (DER) (the predecessor agency to the current DEP) by August 5 of each year. The DER was to review the budgets and submit comments to the boards and to the Governor by September 5. Prior to December 15, the DER was to file with the Governor and the Legislature a report summarizing “the expenditures of the WMDs by program area.”

Paragraph 373.536(5)(a), F.S., was amended in 1993 to require that the tentative budgets also be submitted to the Governor’s Office and the chairs of the appropriations committees in the Senate and House by August 5. Paragraph 373.536(5)(b), F.S., was also amended in order to allow the Governor’s Office and the appropriations chairs to submit comments to the WMD boards by September 5.

In 1994, the Legislature created the Water Management District Review Commission to perform a comprehensive review of Florida’s water management system including consideration of ways to improve financial and programmatic accountability of WMDs and potential revision of the WMDs’ budget development and adoption procedures. The Commission made several recommendations including:

- The Governor should approve or reject the annual budget of each WMD.
- The Executive Office of the Governor should establish permanent position(s) to review the financial and programmatic activities of Florida’s five WMDs.
- The position(s) should further serve as Executive Branch liaison to, and coordinate appropriate review deadlines and notices with, the legislative committees having substantive and appropriation jurisdiction over WMDs.
- Each WMD should provide a copy of its proposed budget, the past year’s expenditures, and its annual in-house financial audit to the Governor, the President of

the Senate, the Speaker of the House, the chairs of all legislative committees and sub-committees with substantive or appropriation jurisdiction over WMDs, the Secretary of the Department of Environmental Protection, and the governing body of each county in which the district has jurisdiction or derives any funds for the operations of the district (“the entities”).

- The district should [shall] respond in writing to each comment received from any of the entities, and should [shall] furnish copies of those comments and written responses to all entities.

The Commission had a 1996 legislative package to implement its recommendations. While the bulk of the recommendations failed to pass, s. 373.536, F.S., was amended in 1996 to authorize the Governor to “approve or disapprove, in whole or in part, the budget of each water management district.” The Governor was also required to “develop a process to facilitate review and communication regarding water management district budgets.”

The stakeholders involved with the work of the Water Management District Review Commission continued to work on the concepts and language during the 1996-97 interim. This work resulted in legislation in 1997. The 1997 legislation further amended s. 373.536, F.S., to require that the tentative budgets be provided to the Governor, the President of the Senate, the Speaker of the House of Representatives, and the chairs of all substantive and fiscal committees, as well as to the Secretary of the Department of Environmental Protection, and the governing body of each county in which the WMD has jurisdiction or derives any funds for the operations of the district.

Under current law, the fiscal year for the WMDs is from October 1 through September 30. In this fiscal year cycle, the first step is for the budget officer of each WMD to submit to the governing board of the district by July 15 a tentative budget for the fiscal year beginning October 1.

By August 1, a copy of the tentative budget is to be provided by the WMD to the Governor, the President of the Senate, the Speaker of the House of Representatives, and the chairs of all substantive and fiscal committees. The House and Senate appropriations chairs may submit comments and objections on the proposed budgets to the WMDs by September 5. In its adoption of the final budget, the governing board must include a written response to any comments or objections of the appropriation chairs. The record of the governing board meeting adopting the final budget is required to be transmitted to the Governor, and the chairs of the appropriation committees.

Before December 15, the Governor’s Office is required to file with the legislature a report that summarizes its review of the WMD tentative budgets.

Bonding

The WMD are provided the authority to issue bonds and revenues bonds for specified purposes. General obligation bonds pledge the faith and credit of the governing board of the district and may be used to carry out the purposes of the act. Revenue bonds are prohibited from pledging the full faith and credit of the district or the district’s power to levy ad valorem tax. Revenue bonds may be used to carry out the purposes of the act or to finance any capital or other project for the purposes permitted by the State Constitution. Article 7, section 12, Florida Constitution, authorizes districts to issue bonds payable from ad valorem taxation when authorized by law and approved by a vote of the electors. Revenue bonds do not require a referendum.

Effects of the Proposed Changes

Basin Boards

The bill amends 373.0693(3), F.S. which establishes the appointment term for basin board members (three years). Currently, basin board members can, until a successor is appointed, serve indefinitely after the expiration of the appointment term. The bill establishes a 180 day limit on the time a basin board member may serve beyond the expiration of their term.

The bill amends 373.0693(7), F.S., which provides the establishment of the Manasota Basin and its board, and specifies the residency requirements of its board members. Currently, the board has three

members that reside in Manatee County and three members that reside in Sarasota County. The bill reduces the number of basin board members to four, two from each county.

The bill repeals the portion of s. 373.069(8)(a), F.S., that established the Oklawaha River Basin Advisory Board (board). The board, which was created to advise the district's governing board on water management issues affecting the Ocklawaha River Basin, has achieved its purpose and is no longer active².

Florida Water Management District Governing Board Nominating Council

The bill creates s.373.072, F.S., and establishes the Florida Water Management District Governing Board Nominating Council. The 12 member council is composed of:

- Four members of the Florida Senate, at least one of which must be a member of the minority party, each appointed by the Senate President to staggered terms.
- Four members of the Florida House of Representatives, at least one of which must be a member of the minority party, each appointed by the Speaker of the House of Representatives to staggered terms.
- Four members of the public, two appointed by the Senate President and two appointed by the Speaker of the House of Representatives, each to staggered terms.

Initial terms begin on July 1, 2009. The term of an appointment is four years and members cannot be reappointed, except for members initially appointed to a term of less than four years or a member appointed to fill a vacancy whose remaining term is less than two years.

The bill establishes a simple majority quorum requirement to conduct business and provides that all meetings and proceedings are subject to the provisions of s. 119.07, F.S., regarding inspection and copying of public records, and the provisions of s. 286.011, F.S., regarding public meetings and records. Members serve without compensation, but are entitled to travel and per diem expenses provided in s. 112.061, F.S.

The bill requires the council to establish uniform policies and procedures governing the application and nomination process. The bill establishes the minimum requirements necessary to be a qualified candidate for potential nomination. In order to nominate a candidate, the council is to determine:

- The candidate is competent, knowledgeable, and possesses substantial technical expertise in a field related to the duties and functions of the water management districts. These fields shall include, but are not limited to: agriculture, the development industry, local government, government-owned or privately owned water utilities, law, civil engineering, environmental science, hydrology, accounting, financial businesses, another field substantially related to the duties and functions of the water management district including members of the WMD's business community.
- The candidate is a homesteaded resident within the district they are nominated to represent and the candidate meets the residency requirement of s. 372.072(2), F.S.
- The candidate has a background investigation conducted by the Florida Department of Law Enforcement which has determined the candidate to be of good moral standards.

In developing the list of nominees, the council shall ensure that no county is resident to more than two governing board members on each water management district governing board and no person can represent more than one water management district governing board. In addition, the council is to consider nominating candidates that will provide representation that is an equitable cross-section of regional interests and technical expertise, and their recommendations must be nonpartisan.

For each board vacancy, the council must nominate no fewer than three qualified persons, unless fewer than three qualified candidates apply, and designate a primary candidate. The council recommendations to fill pending vacancies are to be submitted to the Governor by September 15th each year or within 60 days after a vacancy occurs for any reason other than the expiration of the term.

² Office of Program Accountability and Governmental Analysis

Once the Governor receives the council recommendations, the Governor has 60 days to appoint a governing board member. If the governor elects not to appoint a governing board member, the primary candidate designated by the council shall be considered appointed by the Governor and subject to Senate confirmation.

The bill authorizes each WMD to advertise or electronically post each governing board vacancy and to assist the council by providing staff, counsel, and technical assistance necessary to carry out the responsibilities of the council.

The bill authorizes the use of money in the Water Management Lands Trust Fund to fund the expenses of the council and that expenses are to be proportionately shared by the respective water management district whose governing board vacancy is being filled. The Florida DEP is authorized to execute a memorandum of understanding between state's water management districts and the DEP in order to fund the expenses of the council.

Governing Boards

The bill amends s. 373.073, F.S., requiring that governing board appointments by the Governor are to be from a list of candidates nominated by the council. The bill deletes provisions regarding the equitable representation of regional and technical interest, and candidate experience which would be determined by the council during the nomination process, as described above.

Permit Delegation

The bill amends ss. 373.079(4)(a) and 373.083(5), F.S., requiring the boards of the WMD to delegate to the executive director the authority to take final action to approve permit applications, petitions for variances and waivers of permitting requirements for consumptive use of water permits under part II, chapter 373, F.S., and for the management and storage of surface water under part IV, chapter 373, F.S., (more commonly known as "environmental resource permits"). The boards maintain the authority to deny such permits. The bill repeals s. 373.118, F.S., authorizing the delegation to the executive director the board's authority to approve or deny general permits. The delegation authority for general permits is authorized in the broader delegation requirement established in ss. 373.079(4)(a) and 373.083(5), F.S.

Fiscal Year and Budgets

The bill amends s. 373.536, F.S. establishing a July 1 through June 30 fiscal year. The bill removes the July 15th tentative budget submission deadline. The budget officer is still required to provide the board a tentative budget covering the WMD proposed operations and funding requirements for the ensuing fiscal year. The bill revises the following related time frames:

- Tentative Budget Submission to the Governor, Senate President, Speaker of the House and designated legislative chairs, Secretary of DEP, and the governing board of each of the county within the WMD boundaries is moved from August 1 to February 1
- Comments and objections to the proposed budget from the Senate and House appropriation chairs is moved from September 5 to May 5.
- The Executive Office of the Governor's annual report on its review of the WMD tentative budget and adopted budget is moved from December 15 to September 15.

The bill requires the South Florida WMD to provide a separate budget section that reports all costs association with the Northern Everglades and Estuaries Protection Program.

Bonding

The bill amends s. 373.584, F.S., removing certificates of participation as authorized revenue bonds.

Payment In Lieu of Taxes (PILT)

PILT is a form of compensation to local government to hold them financially harmless as the state has purchased vast acreage of lands for conservation purposes and permanently removed such land from the taxing authority of the local government. These land purchases are perceived to have a greater

impact on smaller counties because their tax base and the state has been able to purchase larger tracts of conservation land in smaller county because the lands availability.

Currently, the DEP and WMDs make PILT payments to qualifying counties and local governments located within an eligible county from funds in the Conservation and Recreational Lands Trust Fund (CARL) or the Water Management Lands Trust Fund, respectively. A qualifying county has a population of less 150,000 as determined by s. 11.031, F.S. (the last official federal decennial census). The PILT amount is based on the average amount of taxes actually paid on the property for the three year preceding the acquisition. Local governments are required to apply for PILT by January 31 the year following acquisition and eligibility determination is on a parcel by parcel basis.

During the 2008 session, Senate Bill 542 passed the Legislature and was signed into law by the Governor as Chapter 2008-229, Laws of Florida. Section 9 and Section 18 of Senate Bill 542 amended ss. 259.032(12)(e) and 373.59(10)(e), F.S., respectively, removing a ten consecutive payment limitation on PILT, thereby extending the payment to the eligible local government until the population threshold was met or exceeded.

Section 373.59(10)(b), F.S. provides the ten non-consecutive PILT payment limitation for properties purchased for conservation purposes but are leased or reserved and remained subject to ad valorem taxation. The bill amends this provision and extends PILT payments to the eligible local government until the population threshold is met or exceeded.

B. SECTION DIRECTORY:

- Section 1. Reenacts s. 373.069, F.S., relating to the creation of the water management districts.
- Section 2. Amends ss. 373.0693(3), 373.0693(7), and 373.0693(8)(a) F.S., relating to the basin boards. The bill provides a finite period a basin board member may serve beyond expiration of their appointment term, reduces the number of members on the Manasota Basin Board, and abolishes the Oklawaha River Basin Advisory Council.
- Section 3. Creates s. 373.072, F.S., and establishes the Florida Water Management District Governing Board Nominating Council.
- Section 4. Amends s.373.073, F.S., relating to governing boards and requires the Governor to appoint governing board members from a list of candidates nominated by the Florida Water Management District Governing Board Nominating Council.
- Section 5. Amends s. 373.079(4), F.S., relating to governing boards, oath of office and staff, and delegates the governing board's authority to approve consumptive use permits and environmental resource permits to the executive director.
- Section 6. Amends s. 373.083(5), F.S., relating to the general powers and duties of governing boards and delegates the governing board's authority to approve consumptive use permits and environmental resource permits to the executive director.
- Section 7. Repeals s. 373.118(4), F.S., relating to the general permits, delegation. The statutory provision was rendered obsolete based on above mentioned revisions.
- Section 8. Amends s. 373.536, F.S., relating to WMD budgets and public hearings therein and revises the WMD fiscal year to July 1st through June 30th.
- Section 9. Amends s. 373.584(4), F.S., relating to revenue bonds and disallows the issuance of certificates of participation.

Section 10. Amends ss. 373.59(1) and 373.59(10)(b), F.S., relating to the Water Management Lands Trust Fund. The bill authorizes the funding of the Florida Water Management District Governing Board Nominating Council's direct expenses and resolves conflicting statutory provisions regarding payment in lieu of taxes.

Section 11. Provides an effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None

2. Expenditures:

The bill has undetermined fiscal impact on the Water Management Lands Trust Fund.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None

2. Expenditures:

The bill has an undetermined fiscal impact on the WMD.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None

D. FISCAL COMMENTS:

The bill allows the direct expenses of the council to be funded by funds currently appropriated to the WMD. The anticipated direct expenses of the council are the travel and per diem expenses of its members. The bill requires the WMD to assist the council by providing staff, counsel, and technical assistance necessary to carry out the responsibilities of the council. It is anticipated that WMD staff time will be required to serve the council and such service will require the reallocation staff resources from current responsibilities.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. The bill does not appear to effect municipalities or county governments

2. Other:

B. RULE-MAKING AUTHORITY:

None

C. DRAFTING ISSUES OR OTHER COMMENTS:

None

IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES