



Agriculture & Natural Resources Subcommittee

**Wednesday, February 18, 2015
10:30 am
Reed Hall**

Committee Meeting Notice

HOUSE OF REPRESENTATIVES

Agriculture & Natural Resources Subcommittee

Start Date and Time: Wednesday, February 18, 2015 10:30 am

End Date and Time: Wednesday, February 18, 2015 12:30 pm

Location: Reed Hall (102 HOB)

Duration: 2.00 hrs

Consideration of the following bill(s):

HB 359 Miami-Dade County Lake Belt Area by Diaz, M.

Presentation by the Department of Environmental Protection on Oil and Gas Regulation in Florida

NOTICE FINALIZED on 02/11/2015 16:06 by Kaiser.Debbi

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 359 Miami-Dade County Lake Belt Area
SPONSOR(S): Diaz, Jr.
TIED BILLS: None **IDEN./SIM. BILLS:** SB 510

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Agriculture & Natural Resources Subcommittee		Gregory ✓	Blalock AEB
2) Finance & Tax Committee			
3) State Affairs Committee			

SUMMARY ANALYSIS

The Miami-Dade County Lake Belt Area (Lake Belt) encompasses 77.5 square miles of environmentally sensitive land at the western edge of the Miami-Dade County urban area. The Lake Belt contains deposits of limestone and sand suitable for production of construction aggregates, cement, and road base materials. Rock mined from the Lake Belt supplies one half of the limestone used annually in Florida.

In 1992, the Florida Legislature recognized the importance of the Lake Belt and established the Lake Belt Committee (Committee). Through a cooperative process involving government agencies, mining interests, non-mining interests, and environmental groups, the Committee completed the Miami-Dade County Lake Belt Plan.

Under current law, the mining companies operating in the Lake Belt must pay a combination of fees based on the number of tons of limestone or sand extracted and sold from the area. The fees are used to conduct wetland mitigation activities, fund seepage mitigation projects, and under certain circumstances, fund water treatment plant upgrades.

The bill includes the following revisions to the Lake Belt statutes:

- Requires amendments to local zoning and subdivision regulations so that properties located within one mile of the Lake Belt are compatible with limestone mining activities. Further, the bill prohibits amendments to local zoning and subdivision regulations that would result in an increase in residential density in certain parts of the Lake Belt until active mining operations cease within two miles of the property.
- Reduces the mitigation fees from 45 cents per ton to 25 cents per ton beginning January 1, 2016, to 15 cents per ton beginning January 1, 2017, and to 5 cents per ton beginning January 1, 2018. The reason for the mitigation fee reduction is because there are sufficient funds in the Lake Belt Mitigation Trust Fund to cover the cost of projected mitigation requirements.
- Requires proceeds from the mitigation fee to be used to conduct water quality monitoring to ensure the protection of water resources within the Lake Belt.
- Removes the requirement that the South Florida Water Management District use the water treatment plant upgrade fee to pay for seepage mitigation projects. The Committee previously approved sufficient funds to complete the seepage mitigation project.
- Replaces the water treatment plant upgrade fee with an environmentally endangered lands fee. The bill also reduces the fee from 15 cents to 5 cents per ton of limerock and sand sold.
- Proceeds from the environmentally endangered lands fee must be used solely for the acquisition, preservation, enhancement, restoration, conservation, and maintenance of wetland and threatened forest communities located in Miami-Dade County (not just near the Lake Belt).

The bill may have a negative fiscal impact on state government by gradually reducing the mitigation fee and removing the water treatment plant upgrade fee. However, there is projected to be sufficient funds in the Lake Belt Mitigation Trust Fund to cover projected future mitigation requirements.

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

STORAGE NAME: h0359.ANRS

DATE: 2/13/2015

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

The Miami-Dade County Lake Belt Area (Lake Belt) encompasses 77.5 square miles of environmentally sensitive land at the western edge of the Miami-Dade County urban area.¹ Generally, the Lake Belt is bounded by the Ronald Reagan Turnpike to the east, the Miami-Dade-Broward County line to the north, Krome Avenue to the west, and Tamiami Trail to the south; along with certain lands south of Tamiami Trail.²

The Lake Belt contains deposits of limestone and sand suitable for production of construction aggregates, cement, and road base materials.³ Mining companies extract rock from the Lake Belt. This supplies one-half of the limestone used annually in Florida.⁴ In south Florida, groundwater occurs so near the surface of the ground that when rock is mined from the Lake Belt, even in shallow pits, the excavation areas fill with water and man-made "lakes" are formed.⁵ The "lakes" that form after rock is mined are the features after which the "Lake Belt" is named.⁶

The wetlands and lakes of the Lake Belt offer the potential to buffer the Everglades from the potentially adverse impacts of urban development.⁷ The Northwest Wellfield, located at the eastern edge of the Lake Belt, is the largest drinking water wellfield in Florida and supplies approximately 40 percent of the potable water for Miami-Dade County.⁸

In 1992, the Florida Legislature recognized the importance of the Lake Belt and established the Lake Belt Committee (Committee).⁹ The Legislature charged the Committee with the task of developing a long-term plan for the Lake Belt to address a number of critical concerns.¹⁰ Through a cooperative process involving government agencies, mining interests, non-mining interests, and environmental groups, the Committee completed the Miami-Dade County Lake Belt Plan (Lake Belt Plan).¹¹ The Legislature accepted the Lake Belt Plan and recommendations of the Committee in 1997.¹² The Lake

¹ South Florida Water Management District, *Regional Contacts, Miami-Dade*, <http://my.sfwmd.gov/portal/page/portal/xweb%20about%20us/miami%20dade%20service%20center> (last visited January 22, 2015).

² Section 373.4149(1), F.S.

³ Section 373.4149, F.S.

⁴ South Florida Water Management District, *Regional Contacts, Miami-Dade*, <http://my.sfwmd.gov/portal/page/portal/xweb%20about%20us/miami%20dade%20service%20center> (last visited January 22, 2015).

⁵ *Id.*

⁶ *Id.*

⁷ South Florida Water Management District, *Regional Contacts, Miami-Dade*, <http://my.sfwmd.gov/portal/page/portal/xweb%20about%20us/miami%20dade%20service%20center> (last visited January 22, 2015).

⁸ *Id.*

⁹ S. 21 Ch. 92-132, Laws of Fla.; Originally called the Northwest Dade County Freshwater Lake Plan Implementation Committee.

¹⁰ *Id.*

¹¹ Phase I Plan in 1997 and Phase II Plan in 2000. South Florida Water Management District, *Regional Contacts, Miami-Dade*, <http://my.sfwmd.gov/portal/page/portal/xweb%20about%20us/miami%20dade%20service%20center> (last visited January 22, 2015).

¹² Lake Belt Mitigation Committee, 1997 Progress Report p. 2. available at http://www.sfwmd.gov/portal/pls/portal/portal_apps.repository_lib_pkg.repository_browse?p_keywords=lbannual&p_thumbnails=no (last visited February 13, 2015).

Belt Plan guides the mitigation¹³ that is required to offset the impacts to wetlands caused by the mining operations in the Lake Belt.

Mitigation Fee

The Lake Belt statute requires that the mining companies operating in the Lake Belt pay a mitigation fee of 45 cents per ton of limestone or sand extracted from the area.¹⁴ The statute requires that the proceeds of the mitigation fee must be used to conduct mitigation activities that are appropriate to offset the loss of the value and functions of wetlands as a result of mining activities, and must be used in a manner consistent with the recommendations contained in the reports submitted to the Legislature by the Committee.¹⁵ Such mitigation may include:

- The purchase, enhancement, restoration, and management of wetlands and uplands;
- The purchase of mitigation credit from a permitted mitigation bank; and
- Any structural modifications to the existing drainage system to enhance the hydrology of Lake Belt.¹⁶

Funds may also be used to reimburse other funding sources, including the Save Our Rivers Land Acquisition Program, the Internal Improvement Trust Fund, the South Florida Water Management District (SFWMD), and Miami-Dade County, for the purchase of lands that were acquired in areas appropriate for mitigation due to rock mining and to reimburse governmental agencies that exchanged land for mitigation due to rock mining.¹⁷ The mitigation fee is collected from the mining industry by the Department of Revenue and transferred to the SFWMD's Lake Belt Mitigation Trust Fund.¹⁸ Payment of the mitigation fee satisfies the mitigation requirements imposed under ss. 373.403 through 373.439, F.S.,¹⁹ and any applicable county ordinance for loss of the value and functions from mining of the wetlands.²⁰

The mitigation fee imposed by the Lake Belt statute could have been suspended until revived by the Legislature if the United States Army Corps of Engineers (USACE) had not issued a permit for mining in the Lake Belt by September 30, 2000.²¹ Permits were issued in 2002 and subsequently challenged in federal court.²² The USACE issued new permits in 2010.²³

Water Treatment Plant Upgrade Fee

The Lake Belt statute also requires mining companies operating in the Lake Belt to pay a water treatment plant upgrade fee of 15 cents per ton of limestone or sand extracted from the Lake Belt.²⁴ In 2006, the Legislature created this fee to upgrade a water treatment plant that treats water coming from

¹³ "Mitigation" means an action or series of actions to offset the adverse impacts that would otherwise cause an activity that requires an Environmental Resource Permit to fail to meet the criteria set forth in the statutes and rules. Mitigation usually consists of restoration, enhancement, creation, preservation, or a combination thereof. Rule 62-330.021, F.A.C., incorporating by reference Environmental Resource Permit Applicant's Handbook, Volume I, Section 2.0.

¹⁴ Section 373.41492(2), F.S.

¹⁵ Section 373.41492(6)(a), F.S.

¹⁶ Id.

¹⁷ Id.

¹⁸ Section 373.41492(3), F.S.

¹⁹ A discussion of what is typically required for mitigation can be found in the Environmental Resource Permit Applicant's Handbook, Volume I, Section 10.3, incorporated by reference in Chapter 62-330, F.A.C.

²⁰ Section 373.41492(7), F.S.

²¹ Section 373.41492(8), F.S.

²² See Sierra Club v. Flowers, 423 F. Supp.2d 1306 (S.D. Fla. 2006); Sierra Club v. Strock, 494 F. Supp.2d 1188 (S.D. Fla. 2007).

²³ Lake Belt Mitigation Committee, Annual Report for 2013 p. 8. available at http://www.sfwmd.gov/portal/pls/portal/portal_apps.repository_lib_pkg.repository_browse?p_keywords=lbannual&p_thumbnails=no (last visited January 22, 2015).

²⁴ Section 373.41492(2), F.S.

the Northwest Wellfield in Miami-Dade County.²⁵ Originally, the water treatment plant upgrade fee was deposited into a trust fund established by Miami-Dade County.

In 2012, the Legislature expanded the authorized uses of the proceeds of the water treatment plant upgrade fee to allow them to be used to pay for seepage mitigation projects performed by SFWMD, including groundwater or surface water management structures designed to improve wetland habitat.²⁶ The new law changed the recipient of the proceeds of the water treatment plant upgrade fee from Miami-Dade County to the SFWMD and specified that these funds would be deposited into the Lake Belt Mitigation Trust Fund until:

- A total of \$20 million, less administrative costs, is deposited in the Lake Belt Mitigation Trust Fund; or
- Quarterly pathogen sampling demonstrates that the water in any quarry lake in the vicinity of the Northwest Wellfield would be classified as being in Bin 2 or higher.²⁷

According to the statute, as soon as either of these qualifications is triggered, Miami-Dade County would again be the recipient of the water treatment plant upgrade fee proceeds.

Local Government Land Use Planning in the Lake Belt

Current law also requires that rezonings or amendments to local government comprehensive plans concerning properties within one mile of the Lake Belt be compatible with limestone mining activities.²⁸ In addition, rezonings, variances, or amendments to local government comprehensive plans for any residential purpose cannot be approved for any property located in certain areas until there is no active mining within two miles of the property.²⁹

Effect of Proposed Changes

The bill includes the following revisions to the Lake Belt statutes:

- Amends s. 373.4149(4), F.S., to require amendments to local zoning and subdivision regulations concerning properties located within one mile of the Lake Belt to be compatible with limestone mining activities. Further, the bill prohibits amendments to local zoning and subdivision regulations that would result in an increase in residential density in certain parts of the Lake Belt until active mining operations cease within two miles of the property.
- Amends s. 373.41492(1), F.S., to allow the per ton mitigation fee assessed on limestone sold from the Lake Belt to be used for water quality monitoring purposes.
- Amends s. 373.41492(2), F.S., to gradually reduce the mitigation fees collected for each ton of limerock and sand sold from the Lake Belt. The mitigation fee will be reduced from 45 cents per ton to 25 cents per ton beginning January 1, 2016, then to 15 cents per ton beginning January 1, 2017, and then to 5 cents per ton beginning January 1, 2018, and thereafter. The reason for the mitigation fee reduction is because there are sufficient funds in the Lake Belt Mitigation Trust Fund to cover the cost of projected mitigation requirements.³⁰ Over time, most of the land areas designated for mitigation within the Lake Belt was restored. The remaining projects within Miami-Dade County were all small and insufficient to meet the needs of the Lake Belt Plan.³¹

²⁵ Section 2 Ch. 2006-13, Laws of Fla.

²⁶ Section 1 Ch. 2012-107, Laws of Fla.

²⁷ Section 373.41492(3)(b), F.S. Bin 2 is an average source water concentration of cryptosporidium equal to or more than 0.075 oocysts/L, but less than 1.0 oocysts/L.

²⁸ Section 373.41492(4), F.S.

²⁹ Id.

³⁰ Email from Amanda Marsh, Office of Legislative Affairs, Department of Environmental Protection, FW: HB - 359 Miami-Dade Lake Belt Bill (February 4, 2015), on file with Agricultural & Natural Resources Subcommittee staff; Lake Belt Mitigation Committee, Annual Report for 2012 p. 5.; available at

http://www.sfwmd.gov/portal/pls/portal/portal_apps.repository_lib_pkg.repository_browse?p_keywords=lbannual&p_thumbnails=no (last visited February 4, 2015).

³¹ Id.

Thus, in 2012, the Committee approved a plan to allow mitigation on land in Hendry County that formally served as a citrus grove.³² The SFWMD owns this land.³³ The mitigation fee will be used to reimburse the SFWMD for the land and to pay for the mitigation activities.³⁴ This proposed mitigation is projected to exceed the amount of mitigation needed to complete limestone and sand mining in the Lake Belt.³⁵ There are currently sufficient projected funds to complete this project with the new mitigation fee structure.

- Amends s. 373.41492(6), F.S., to remove the requirement that the water treatment plant upgrade fees be used to pay for seepage mitigation projects. The SFWMD has completed two miles of a planned five-mile seepage barrier to block seepage from moving out of Everglades National Park.³⁶ The monitoring results from the initial construction of two miles of the barrier showed the project decreased the amount of seepage leaving Everglades National Park.³⁷ Modeling results showed that increasing the seepage barrier to five miles would result in increasing the area beneficially affected in Everglades National Park from approximately 12,000 acres to more than 30,000 acres.³⁸ There are currently previously approved funds in the Lake Belt Mitigation Fund to complete this project.³⁹
- Amends s. 373.41492(2), F.S., to replace the water treatment plant upgrade fee with an environmentally endangered lands fee. The environmentally endangered lands fee will be deposited into a trust fund established by Miami-Dade County. According to the Lake Belt 2014 Annual Report, thousands of sampling events from the lakes over the years have demonstrated that water treatment is not needed to mitigate the effects of the mining operations.⁴⁰ The bill reduces the fee from 15 cents to 5 cents per ton of limerock and sand sold, and makes various revisions to conform the statutes to the replacement of the water treatment plant upgrade fee with the environmentally endangered lands fee. Miami-Dade County must use the proceeds from the environmentally endangered lands fee solely for the acquisition, preservation, enhancement, restoration, conservation, and maintenance of wetland and threatened forest communities located in Miami-Dade County (not just near the Lake Belt). Acquisition of these lands is above normal mitigation requirements to offset impacts caused by the mining activity. The bill directs the Department of Revenue to administer, collect, and enforce the fee.
- Amends s. 373.41492(6), F.S., to require the SFWMD to use the proceeds from the mitigation fee to conduct water quality monitoring to ensure the protection of water resources within the Lake Belt.
- Deletes s. 373.41492(8), F.S., which provides that the mitigation fee imposed by the Lake Belt statute must be suspended until revived by the Legislature if the United States Army Corps of Engineers (USACE) does not issue a permit for mining in the Lake Belt by September 30, 2000.

³² Lake Belt Mitigation Committee, Annual Report for 2012 p. 5.; available at http://www.sfwmd.gov/portal/pls/portal/portal_apps.repository_lib_pkg.repository_browse?p_keywords=lbannual&p_thumbnails=no (last visited February 4, 2015)..

³³ Lake Belt Committee, June 29, 2012 Meeting Summary p. 4; available at http://www.sfwmd.gov/portal/pls/portal/portal_apps.repository_lib_pkg.repository_browse?p_keywords=lakebeltmc2012&p_thumbnails=no (last visited January 26, 2014).

³⁴ Lake Belt Committee, November 20 2013 Meeting Summary p. 3; available at http://www.sfwmd.gov/portal/pls/portal/portal_apps.repository_lib_pkg.repository_browse?p_keywords=lakebeltmc2013&p_thumbnails=no (last visited January 26, 2014).

³⁵ Lake Belt Committee, December 4, 2012 Meeting Summary p. 4; available at http://www.sfwmd.gov/portal/pls/portal/portal_apps.repository_lib_pkg.repository_browse?p_keywords=lakebeltmc2012&p_thumbnails=no (last visited January 26, 2014); Lake Belt Mitigation Committee, Annual Report for 2013 p. 8.; available at http://www.sfwmd.gov/portal/pls/portal/portal_apps.repository_lib_pkg.repository_browse?p_keywords=lbannual&p_thumbnails=no (last visited January 22, 2015).

³⁶ Miami-Dade Limestone Products Association, L-31N Seepage Barrier Project Presentation (March 5, 2014) available at Florida Department of Environmental Protection.

³⁷ Id.

³⁸ Id.

³⁹ Id.

⁴⁰ Lake Belt 2014 Annual Report p. 2-3 (available at Florida Department of Environmental Protection).

- The bill reenacts subsections 373.41495(1), (2), and (3), F.S., relating to the Lake Belt Mitigation Trust Fund to incorporate the amendments to s. 373.41492, F.S.

B. SECTION DIRECTORY:

- Section 1. Amends s. 373.4149, F.S., relating to the Miami-Dade Lake Belt Plan.
- Section 2. Amends s. 373.41492, F.S., relating to the Miami-Dade County Lake Belt Mitigation Plan.
- Section 3. Reenacts subsections (1), (2), and (3) of s. 373.41492, F.S., relating to the Lake Belt Mitigation Trust Fund.
- Section 4. Providing an effective date of July 1, 2015.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The bill may have a negative fiscal impact on state government as a result of gradually reducing the mitigation fee for extracting limestone and sand from Lake Belt and removing the ability to use the water treatment plant upgrade fee for seepage mitigation. However, as indicated above, there is projected to be sufficient funds in the Lake Belt Mitigation Trust Fund to cover the projected future mitigation requirements. Therefore, the reduced costs due to sufficient funds should offset the reduction in fees collected.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The bill appears to have a positive fiscal impact on the local governments in Miami-Dade County by making Miami-Dade County the new recipient of the revenues collected from the environmentally endangered lands fee.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill appears to have a positive economic impact on companies that mine limestone and sand in Lake Belt. The mitigation fee will gradually be reduced from 45 cents per ton to 5 cents per ton over a three-year period. Further, the water treatment plant upgrade fee of 15 cents per ton will be eliminated and replaced with the 5 cents per ton environmentally endangered lands fee.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The bill does not appear to require counties or municipalities to take an action requiring the expenditure of funds, reduce the authority that counties or municipalities have to raise revenue in the aggregate, nor reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

N/A

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 359 (2015)

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED _____ (Y/N)
ADOPTED AS AMENDED _____ (Y/N)
ADOPTED W/O OBJECTION _____ (Y/N)
FAILED TO ADOPT _____ (Y/N)
WITHDRAWN _____ (Y/N)
OTHER _____

1 Committee/Subcommittee hearing bill: Agriculture & Natural
2 Resources Subcommittee
3 Representative Diaz, M. offered the following:
4

5 **Amendment (with title amendment)**

6 Remove line 245 and insert:

7 Northwest Wellfield in Miami-Dade County. However, the proceeds
8 of the environmentally endangered lands fee must first be used
9 to upgrade a water treatment plant that treats water coming from
10 the Northwest Wellfield in Miami-Dade County if, following a
11 formal determination by the Department of Environmental
12 Protection that due to the direct or indirect result of rock
13 mining activities within the Lake Belt Area, the quarterly
14 pathogen sampling conducted as a condition of the permits issued
15 by the department for rock mining activities in the Miami-Dade
16 County Lake Belt Area demonstrates that the water in any quarry
17 lake monitored pursuant to the monitoring plan would be

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Published On: 2/17/2015 5:55:15 PM

Amendment No. 1

18 classified as being in Bin 2 or higher as defined in the
19 Environmental Protection Agency's Long Term 2 Enhanced Surface
20 Water Treatment Rule. ~~As used in this~~

21

22

23

T I T L E A M E N D M E N T

24

Remove line 25 and insert:

25

County; requiring the proceeds of the environmentally endangered
26 lands fee to be used to upgrade a water treatment plant if
27 certain conditions are met; reenacting s. 373.41495(1), (2), and
28 (3), F.S.

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 359 (2015)

Amendment No. 2

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED _____ (Y/N)
ADOPTED AS AMENDED _____ (Y/N)
ADOPTED W/O OBJECTION _____ (Y/N)
FAILED TO ADOPT _____ (Y/N)
WITHDRAWN _____ (Y/N)
OTHER _____

1 Committee/Subcommittee hearing bill: Agriculture & Natural
2 Resources Subcommittee

3 Representative Diaz, M. offered the following:

4

5 **Amendment**

6 Remove lines 219-220 and insert:

7 ~~Area and be approved by the Miami-Dade County Lake Belt~~

8 ~~Mitigation Committee.~~ Such mitigation may include the purchase,

27 incorporate the amendment made to s. 373.41492, F.S.,
 28 in reference thereto; providing an effective date.
 29

30 Be It Enacted by the Legislature of the State of Florida:
 31

32 Section 1. Subsection (4) of section 373.4149, Florida
 33 Statutes, is amended to read:

34 373.4149 Miami-Dade County Lake Belt Plan.-

35 (4) The identification of the Miami-Dade County Lake Belt
 36 Area shall not preempt local land use jurisdiction, planning, or
 37 regulatory authority in regard to the use of land by private
 38 land owners. When amending local comprehensive plans, or
 39 implementing zoning regulations, development regulations, or
 40 other local regulations, Miami-Dade County shall strongly
 41 consider limestone mining activities and ancillary operations,
 42 such as lake excavation, including use of explosives, rock
 43 processing, cement, concrete and asphalt products manufacturing,
 44 and ancillary activities, within the rock mining supported and
 45 allowable areas of the Miami-Dade County Lake Plan adopted by
 46 subsection (1); provided, however, that limerock mining
 47 activities are consistent with wellfield protection. Rezoning,
 48 ~~or~~ amendments to local zoning and subdivision regulations, and
 49 amendments to local comprehensive plans concerning properties
 50 that are located within 1 mile of the Miami-Dade Lake Belt Area
 51 shall be compatible with limestone mining activities. No
 52 rezonings, variances, amendments to local zoning and subdivision

53 regulations which would result in an increase in residential
 54 density, or amendments to local comprehensive plans for any
 55 residential purpose may be approved for any property located in
 56 sections 35 and 36 and the east one-half of sections 24 and 25,
 57 Township 53 South, Range 39 East until such time as there is no
 58 active mining within 2 miles of the property. This section does
 59 not preclude residential development that complies with current
 60 regulations.

61 Section 2. Section 373.41492, Florida Statutes, is amended
 62 to read:

63 373.41492 Miami-Dade County Lake Belt Mitigation Plan;
 64 mitigation for mining activities within the Miami-Dade County
 65 Lake Belt.—

66 (1) The Legislature finds that the impact of mining within
 67 the rock mining supported and allowable areas of the Miami-Dade
 68 County Lake Belt Plan adopted by s. 373.4149(1) can best be
 69 offset by the implementation of a comprehensive mitigation plan.
 70 The Lake Belt Mitigation Plan consists of those provisions
 71 contained in subsections (2)-(8) ~~(2)-(9)~~. The per-ton mitigation
 72 fee assessed on limestone sold from the Miami-Dade County Lake
 73 Belt Area and sections 10, 11, 13, 14, Township 52 South, Range
 74 39 East, and sections 24, 25, 35, and 36, Township 53 South,
 75 Range 39 East, shall be used for acquiring environmentally
 76 sensitive lands and for restoration, monitoring, maintenance,
 77 and other environmental purposes. It is the intent of the
 78 Legislature that the per-ton mitigation fee not be a revenue

79 source for purposes other than enumerated in this section.
 80 Further, the Legislature finds that the public benefit of a
 81 sustainable supply of limestone construction materials for
 82 public and private projects requires a coordinated approach to
 83 permitting activities on wetlands within Miami-Dade County in
 84 order to provide the certainty necessary to encourage
 85 substantial and continued investment in the limestone processing
 86 plant and equipment required to efficiently extract the
 87 limestone resource. It is the intent of the Legislature that the
 88 Lake Belt Mitigation Plan satisfy all local, state, and federal
 89 requirements for mining activity within the rock mining
 90 supported and allowable areas.

91 (2) To provide for the mitigation of wetland resources
 92 lost to mining activities within the Miami-Dade County Lake Belt
 93 Plan, effective October 1, 1999, a mitigation fee is imposed on
 94 each ton of limerock and sand extracted by any person who
 95 engages in the business of extracting limerock or sand from
 96 within the Miami-Dade County Lake Belt Area and the east one-
 97 half of sections 24 and 25 and all of sections 35 and 36,
 98 Township 53 South, Range 39 East. The mitigation fee is imposed
 99 for each ton of limerock and sand sold from within the
 100 properties where the fee applies in raw, processed, or
 101 manufactured form, including, but not limited to, sized
 102 aggregate, asphalt, cement, concrete, and other limerock and
 103 concrete products. The mitigation fee imposed by this subsection
 104 for each ton of limerock and sand sold shall be 25 ~~45~~ cents per

105 ton, beginning on January 1, 2016; 15 cents per ton beginning on
 106 January 1, 2017; and 5 cents per ton beginning on January 1,
 107 2018, and thereafter. To pay for Miami-Dade County seepage
 108 mitigation projects, an environmentally endangered lands
 109 ~~including groundwater and surface water management structures~~
 110 ~~designed to improve wetland habitat and approved by the Lake~~
 111 ~~Belt Mitigation Committee, and to upgrade a water treatment~~
 112 ~~plant that treats water coming from the Northwest Wellfield in~~
 113 ~~Miami-Dade County, a water treatment plant upgrade fee is~~
 114 imposed within the same Lake Belt Area subject to the mitigation
 115 fee and upon the same kind of mined limerock and sand subject to
 116 the mitigation fee. The environmentally endangered lands water
 117 ~~treatment plant upgrade~~ fee imposed by this section ~~subsection~~
 118 for each ton of limerock and sand sold shall be 5 ~~15~~ cents per
 119 ton, ~~and the collection of this fee shall cease once the total~~
 120 ~~amount of proceeds collected for this fee reaches the amount of~~
 121 ~~the actual moneys necessary to design and construct the water~~
 122 ~~treatment plant upgrade, as determined in an open, public~~
 123 ~~solicitation process.~~ Any limerock or sand that is used within
 124 the mine from which the limerock or sand is extracted is exempt
 125 from the fees. The amount of the mitigation fee and the
 126 environmentally endangered lands ~~water treatment plant upgrade~~
 127 fee imposed under this section must be stated separately on the
 128 invoice provided to the purchaser of the limerock or sand
 129 product from the limerock or sand miner, or its subsidiary or
 130 affiliate, for which the fee or fees apply. The limerock or sand

131 miner, or its subsidiary or affiliate, who sells the limerock or
 132 sand product shall collect the mitigation fee and the water
 133 treatment plant upgrade fee and forward the proceeds of the fees
 134 to the Department of Revenue on or before the 20th day of the
 135 month following the calendar month in which the sale occurs. The
 136 proceeds of a fee imposed by this section include all funds
 137 collected and received by the Department of Revenue relating to
 138 the fee, including interest and penalties on a delinquent fee.
 139 The amount deducted for administrative costs may not exceed 3
 140 percent of the total revenues collected under this section and
 141 may equal only those administrative costs reasonably
 142 attributable to the fee.

143 (3) The mitigation fee and the environmentally endangered
 144 lands ~~water treatment plant upgrade~~ fee imposed by this section
 145 must be reported to the Department of Revenue. Payment of the
 146 mitigation and the environmentally endangered lands ~~water~~
 147 ~~treatment plant upgrade~~ fees must be accompanied by a form
 148 prescribed by the Department of Revenue.

149 (a) The proceeds of the mitigation fee, less
 150 administrative costs, must be transferred by the Department of
 151 Revenue to the South Florida Water Management District and
 152 deposited into the Lake Belt Mitigation Trust Fund.

153 (b) Beginning July 1, 2015 ~~2012~~, ~~the proceeds of the water~~
 154 ~~treatment plant upgrade fee~~ previously imposed by this section
 155 is rescinded and is no longer imposed on the sale of mined
 156 limerock and sand, ~~less administrative costs, must be~~

157 ~~transferred by the Department of Revenue to the South Florida~~
 158 ~~Water Management District and deposited into the Lake Belt~~
 159 ~~Mitigation Trust Fund until:~~

160 ~~1. A total of \$20 million from the proceeds of the water~~
 161 ~~treatment plant upgrade fee, less administrative costs, is~~
 162 ~~deposited into the Lake Belt Mitigation Trust Fund; or~~

163 ~~2. The quarterly pathogen sampling conducted as a~~
 164 ~~condition of the permits issued by the department for rock~~
 165 ~~mining activities in the Miami-Dade County Lake Belt Area~~
 166 ~~demonstrates that the water in any quarry lake in the vicinity~~
 167 ~~of the Northwest Wellfield would be classified as being in Bin 2~~
 168 ~~or higher as defined in the Environmental Protection Agency's~~
 169 ~~Long Term 2 Enhanced Surface Water Treatment Rule.~~

170 ~~(c) The proceeds of the environmentally endangered lands~~
 171 ~~fee Upon the earliest occurrence of the criterion under~~
 172 ~~subparagraph (b)1. or subparagraph (b)2., the proceeds of the~~
 173 ~~water treatment plant upgrade fee, less administrative costs,~~
 174 ~~must be transferred by the Department of Revenue to a trust fund~~
 175 ~~established by Miami-Dade County, for the sole purpose~~
 176 ~~authorized by paragraph (6) (a).~~

177 (4) (a) The Department of Revenue shall administer,
 178 collect, and enforce the mitigation and environmentally
 179 endangered lands ~~treatment plant upgrade~~ fees authorized under
 180 this section in accordance with the procedures used to
 181 administer, collect, and enforce the general sales tax imposed
 182 under chapter 212. The provisions of chapter 212 with respect to

183 the authority of the Department of Revenue to audit and make
 184 assessments, the keeping of books and records, and the interest
 185 and penalties imposed on delinquent fees apply to this section.
 186 The fees may not be included in computing estimated taxes under
 187 s. 212.11, and the dealer's credit for collecting taxes or fees
 188 provided for in s. 212.12 does not apply to the fees imposed by
 189 this section.

190 (b) In administering this section, the Department of
 191 Revenue may employ persons and incur expenses for which funds
 192 are appropriated by the Legislature. The Department of Revenue
 193 shall adopt rules and prescribe and publish forms necessary to
 194 administer this section. The Department of Revenue shall
 195 establish audit procedures and may assess delinquent fees.

196 (5) Each January 1, beginning January 1, 2010, through
 197 December 31, 2011, the per-ton mitigation fee shall be increased
 198 by 2.1 percentage points, plus a cost growth index. The cost
 199 growth index shall be the percentage change in the weighted
 200 average of the Employment Cost Index for All Civilian Workers
 201 (ecu 10001I), issued by the United States Department of Labor
 202 for the most recent 12-month period ending on September 30, and
 203 the percentage change in the Producer Price Index for All
 204 Commodities (WPU 00000000), issued by the United States
 205 Department of Labor for the most recent 12-month period ending
 206 on September 30, compared to the weighted average of these
 207 indices for the previous year. The weighted average shall be
 208 calculated as 0.6 times the percentage change in the Employment

209 Cost Index for All Civilian Workers (ecu 10001I), plus 0.4 times
 210 the percentage change in the Producer Price Index for All
 211 Commodities (WPU 00000000). If either index is discontinued, it
 212 shall be replaced by its successor index, as identified by the
 213 United States Department of Labor.

214 (6) (a) The proceeds of the mitigation fee must be used to
 215 conduct mitigation activities that are appropriate to offset the
 216 loss of the value and functions of wetlands as a result of
 217 mining activities and to conduct water quality monitoring to
 218 ensure the protection of water resources within the Lake Belt
 219 Area and must be approved by the Miami-Dade County Lake Belt
 220 Mitigation Committee. Such mitigation may include the purchase,
 221 enhancement, restoration, and management of wetlands and uplands
 222 in the Everglades watershed, the purchase of mitigation credit
 223 from a permitted mitigation bank, and any structural
 224 modifications to the existing drainage system to enhance the
 225 hydrology of the Miami-Dade County Lake Belt Area or the
 226 Everglades watershed. Funds may also be used to reimburse other
 227 funding sources, including the Save Our Rivers Land Acquisition
 228 Program, the Internal Improvement Trust Fund, the South Florida
 229 Water Management District, and Miami-Dade County, for the
 230 purchase of lands that were acquired in areas appropriate for
 231 mitigation due to rock mining and to reimburse governmental
 232 agencies that exchanged land under s. 373.4149 for mitigation
 233 due to rock mining. ~~The proceeds of the water treatment plant~~
 234 ~~upgrade fee deposited into the Lake Belt Mitigation Trust Fund~~

235 ~~shall be used solely to pay for seepage mitigation projects,~~
 236 ~~including groundwater or surface water management structures~~
 237 ~~designed to improve wetland habitat and approved by the Lake~~
 238 ~~Belt Mitigation Committee.~~ The proceeds of the environmentally
 239 endangered lands ~~water treatment plant upgrade~~ fee which are
 240 transmitted to a trust fund established by Miami-Dade County
 241 shall be used solely for the acquisition, preservation,
 242 enhancement, restoration, conservation, and maintenance of
 243 wetland and threatened forest communities located ~~to upgrade a~~
 244 ~~water treatment plant that treats water coming from the~~
 245 ~~Northwest Wellfield~~ in Miami-Dade County. ~~As used in this~~
 246 ~~section, the terms "upgrade a water treatment plant" or~~
 247 ~~"treatment plant upgrade" mean those works necessary to treat or~~
 248 ~~filter a surface water source or supply or both.~~

249 (b) Expenditures of the mitigation fee must be approved by
 250 an interagency committee consisting of representatives from each
 251 of the following: the Miami-Dade County Department of
 252 Environmental Resource Management, the Department of
 253 Environmental Protection, the South Florida Water Management
 254 District, and the Fish and Wildlife Conservation Commission. In
 255 addition, the limerock mining industry shall select a
 256 representative to serve as a nonvoting member of the interagency
 257 committee. At the discretion of the committee, additional
 258 members may be added to represent federal regulatory,
 259 environmental, and fish and wildlife agencies.

260 (7) Payment of the mitigation fee imposed by this section

261 satisfies the mitigation requirements imposed under ss. 373.403-
 262 373.439 and any applicable county ordinance for loss of the
 263 value and functions from mining of the wetlands identified as
 264 rock mining supported and allowable areas of the Miami-Dade
 265 County Lake Plan adopted by s. 373.4149(1). In addition, it is
 266 the intent of the Legislature that the payment of the mitigation
 267 fee imposed by this section satisfy all federal mitigation
 268 requirements for the wetlands mined.

269 ~~(8) If a general permit by the United States Army Corps of~~
 270 ~~Engineers, or an appropriate long-term permit for mining,~~
 271 ~~consistent with the Miami-Dade County Lake Belt Plan, this~~
 272 ~~section, and ss. 373.4149, 373.4415, and 378.4115 is not issued~~
 273 ~~on or before September 30, 2000, the fee imposed by this section~~
 274 ~~is suspended until revived by the Legislature.~~

275 (8) ~~(9)~~ (a) The interagency committee established in this
 276 section shall annually prepare and submit to the governing board
 277 of the South Florida Water Management District a report
 278 evaluating the mitigation costs and revenues generated by the
 279 mitigation fee.

280 (b) No sooner than January 31, 2010, and no more
 281 frequently than every 2 years thereafter, the interagency
 282 committee shall submit to the Legislature a report recommending
 283 any needed adjustments to the mitigation fee, including the
 284 annual escalator provided for in subsection (5), to ensure that
 285 the revenue generated reflects the actual costs of the
 286 mitigation.

287 Section 3. For the purpose of incorporating the amendment
 288 made by this act to section 373.41492, Florida Statutes, in a
 289 reference thereto, subsections (1), (2), and (3) of section
 290 373.41495, Florida Statutes, are reenacted to read:

291 373.41495 Lake Belt Mitigation Trust Fund; bonds.—

292 (1) The Lake Belt Mitigation Trust Fund is hereby created,
 293 to be administered by the South Florida Water Management
 294 District. Funds shall be credited to the trust fund as provided
 295 in s. 373.41492, to be used for the purposes set forth therein.

296 (2) The South Florida Water Management District may issue
 297 revenue bonds pursuant to s. 373.584, payable from revenues from
 298 the Lake Belt Mitigation fee imposed under s. 373.41492.

299 (3) Net proceeds from the Lake Belt Mitigation fee and any
 300 revenue bonds issued under subsection (2) shall be deposited
 301 into the trust fund and, together with any interest earned on
 302 such moneys, shall be applied to Lake Belt mitigation projects
 303 as provided in s. 373.41492.

304 Section 4. This act shall take effect July 1, 2015.

Florida Department of Environmental Protection



Division of Water Resource Management
Oil and Gas

The History and Basics of Oil & Gas Regulation in Florida

02/18/15





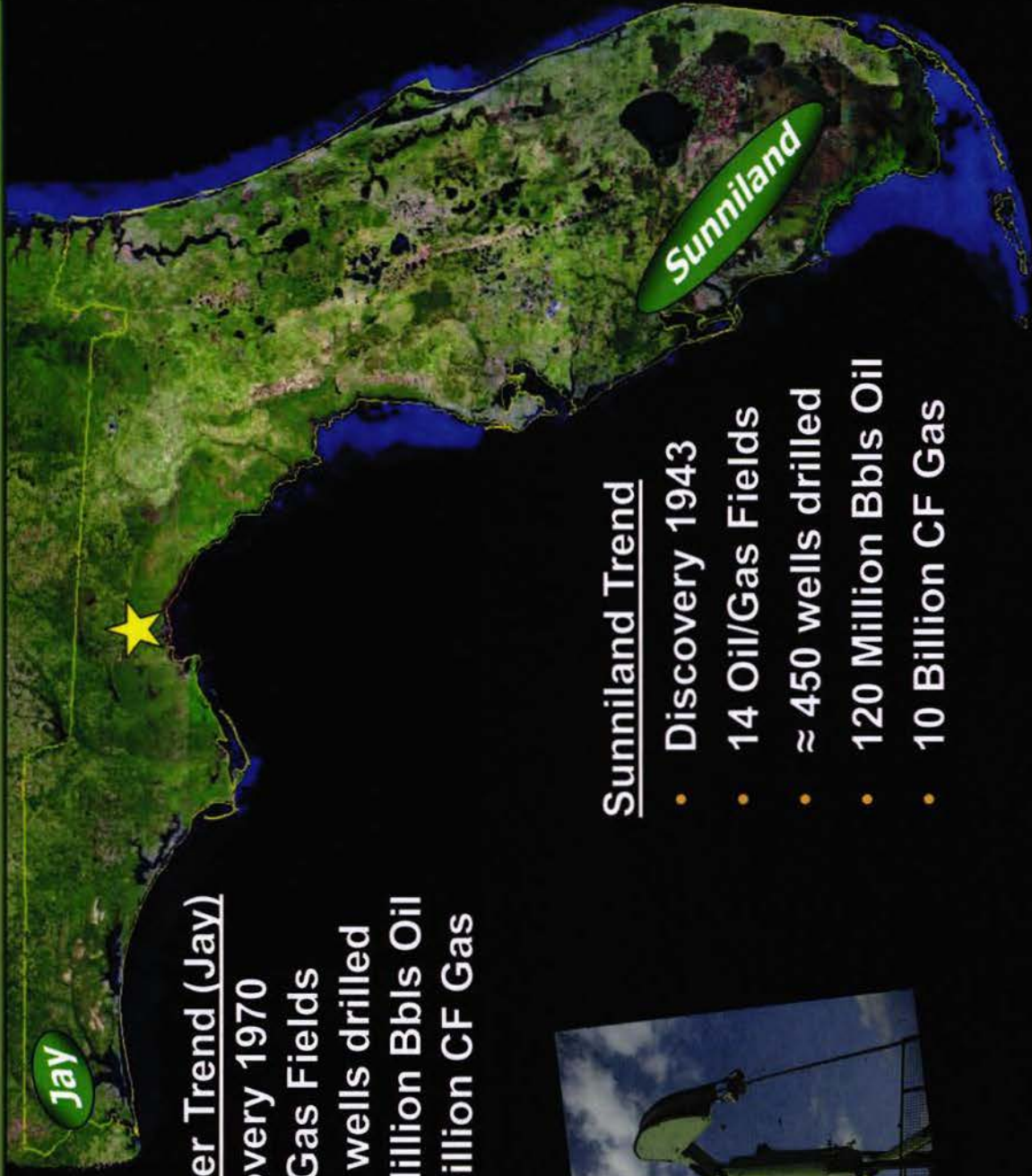
Crude Oil & Natural Gas in Florida



Smackover Trend (Jay)

- Discovery 1970
- 8 Oil/Gas Fields
- ≈ 300 wells drilled
- 500 Million Bbls Oil
- 700 Billion CF Gas

Jay



Sunniland Trend

- Discovery 1943
- 14 Oil/Gas Fields
- ≈ 450 wells drilled
- 120 Million Bbls Oil
- 10 Billion CF Gas



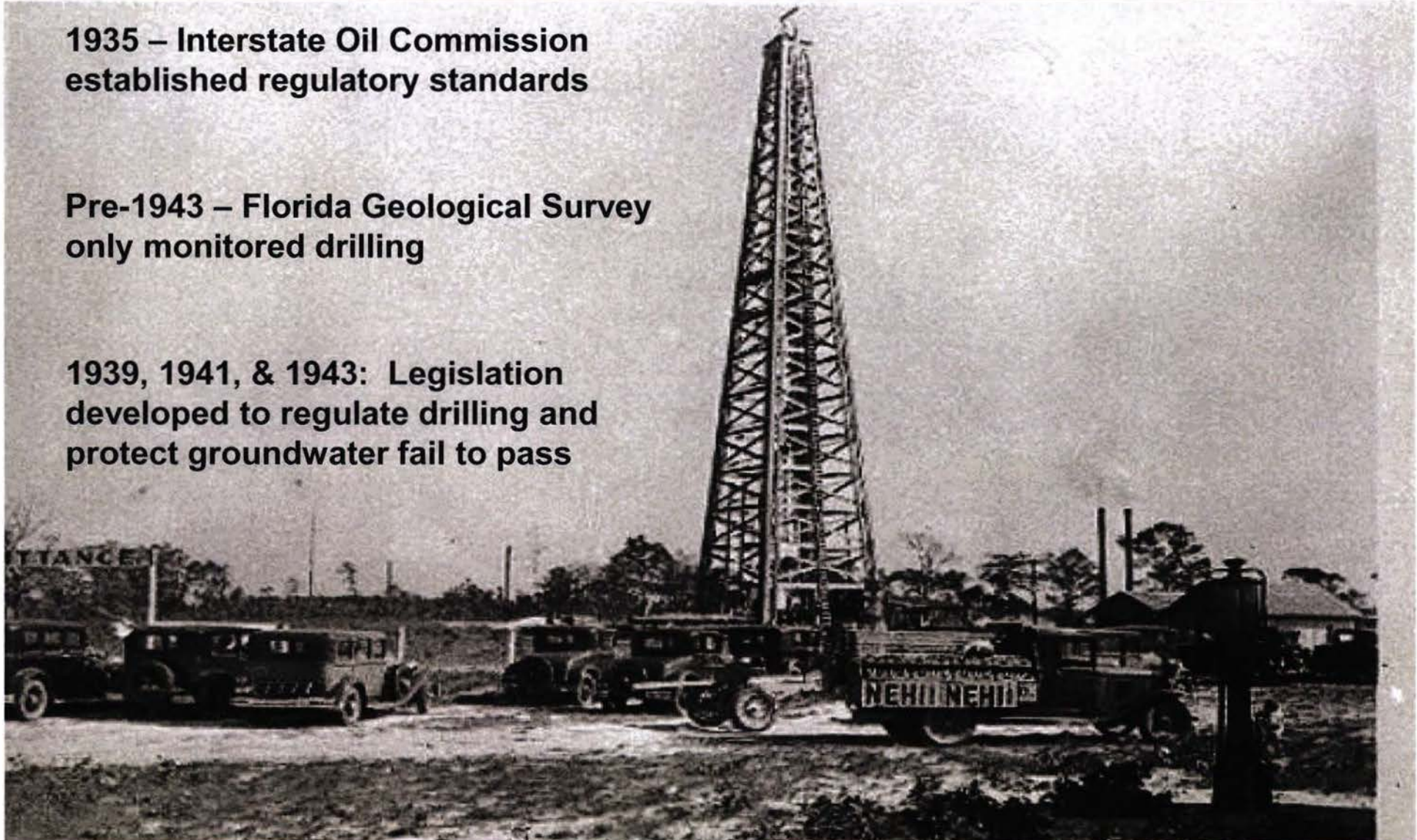


Drilling Before Regulation

1935 – Interstate Oil Commission established regulatory standards

Pre-1943 – Florida Geological Survey only monitored drilling

1939, 1941, & 1943: Legislation developed to regulate drilling and protect groundwater fail to pass





Discovery Well

1941 – Florida Legislature offers \$50,000 Bounty for first discovery

1943 – Humble strikes oil

1945 – Florida joins Interstate Oil Commission & ratifies regulations

**Sunniland Discovery
Humble Oil, 1943
Collier County**



Regulation of Oil & Gas Resources

Chapter 377

- Authority to regulate
 - Exploration, Drilling, Production, Class II Injection, Well Plugging and Abandonment, Underground Gas Storage
- Public policy
 - Safeguard health, property, and public welfare of residents
 - Conserve and control natural resources of oil and gas
 - Prevent waste of oil and gas resources
 - Protect property rights

Chapters 62C-26 through 62C-30, F.A.C.

Implementing rules that guide development of resources



1970s: Regulation Ramps Up

Jay, 1970
Permit 417

1588 BOPD
2.2 million CF Gas



- 1970: Jay Field Discovery
- 1969-71: Drilling Moratorium in Southwest Florida
- 1971-72: Increased oversight
 - More Stringent Rules
 - Field Inspectors Hired: Jay & Ft Myers
 - Big Cypress Committee
 - Drilling Re-established in SW Florida
- 1974: Jay Unitization / Allowables
- 1978: Florida 8th Largest Oil Production

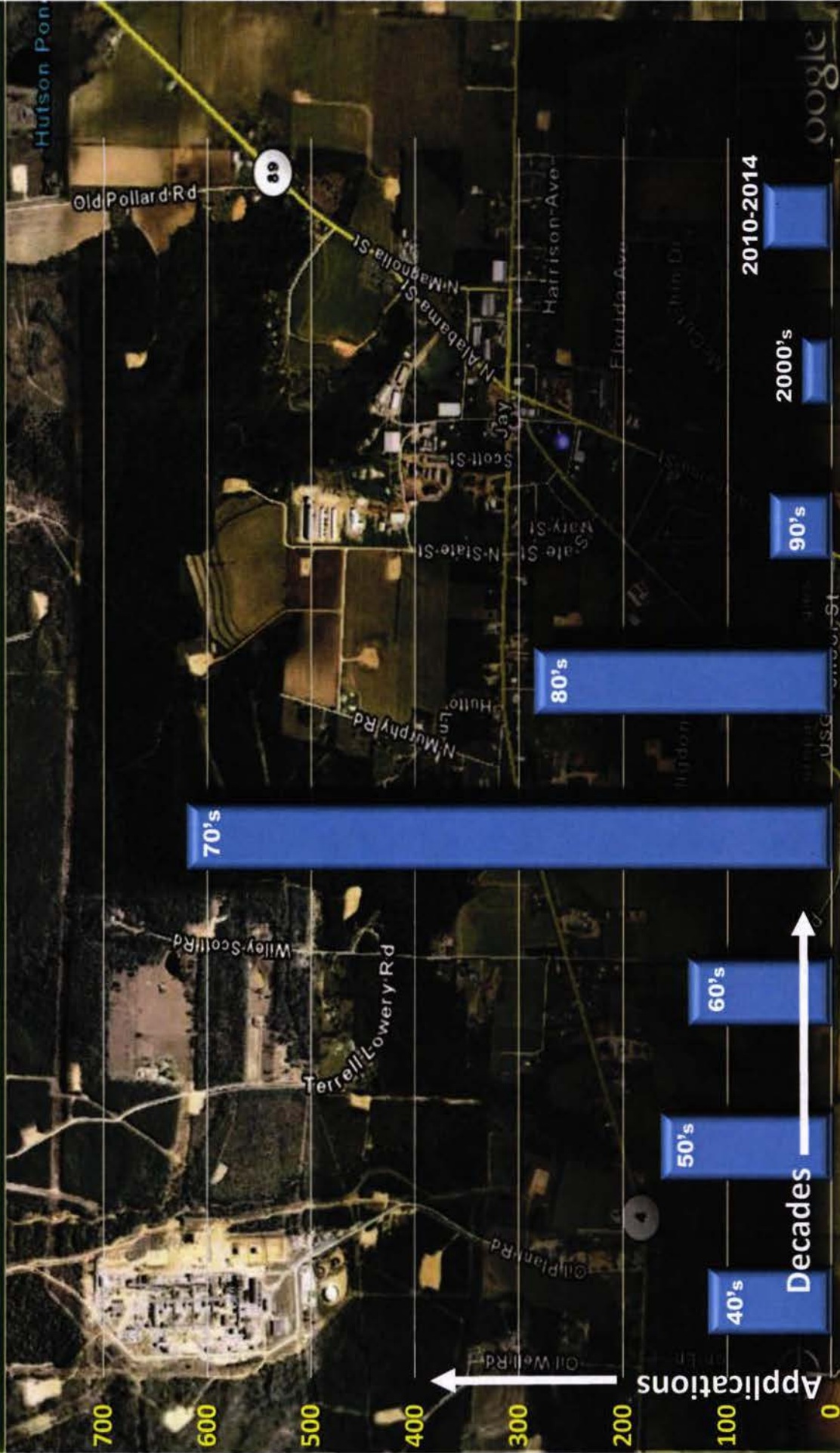


1980s – 2000s

- **Early '80s:** Increased requirements for and oversight of geophysical exploration
- **Late '80s – 1990s:** Crude Oil Price Collapse
 - Exploration & drilling diminished
 - All Florida oilfields in decline
 - Last field discovery - 1988 – McDavid Field
- **2000s:** Crude Oil Price Skyrockets From \$10 - \$150 per barrel
 - Drilling gradually increased in South Florida



Drilling Applications per Decade



Pointer 30°57'24.80" N 87°09'39.77" W elev 249 ft

Streaming 100%

Eye alt 12712 ft

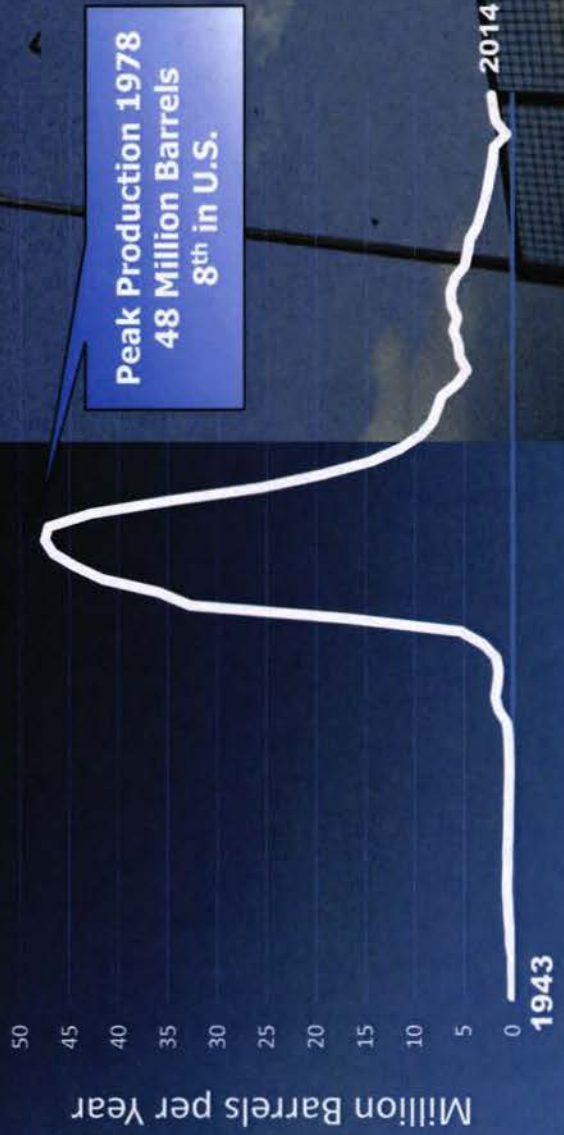
2/16/2015



Wells & Production

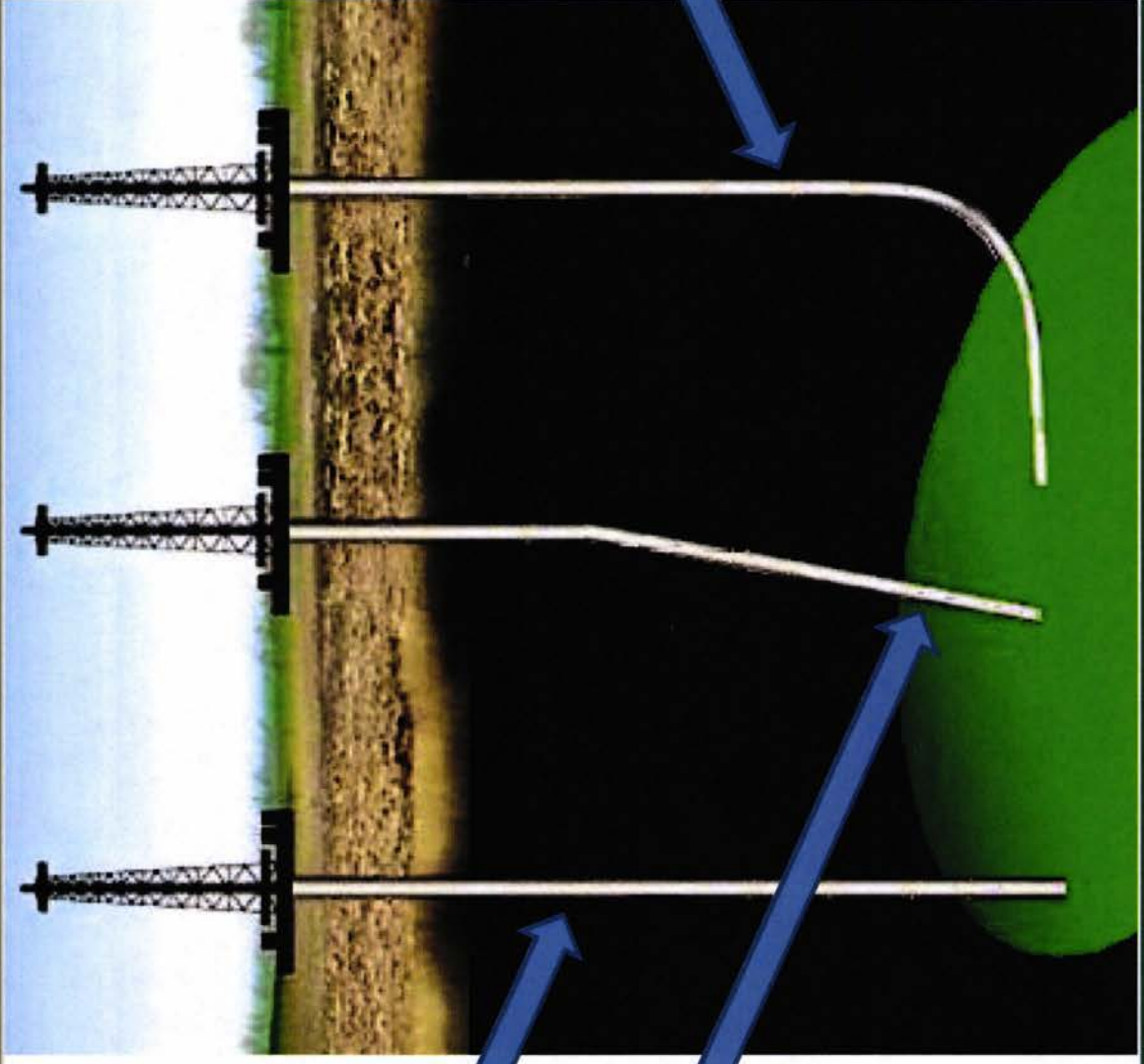
Florida's Drilling / Production

- Crude Oil: 612 Million Barrels
- Natural Gas: 700 Billion CF
- ≈ 1100 wells drilled
- ≈ 1500 Drilling Applications
- ≈ 12,000 to 17,000 feet deep





Basic Well Configurations



"Straight Hole"

"Directional"

"Horizontal"



South Florida

- South Florida Peak Production: 5.4 million barrels per year in 1977
- By 2007, the Sunniland Trend had produced 100 million barrels of oil



South Florida drilling rig

Photo: Paul K. Owen, W. Dexter & Assoc., Inc



Northwest Florida

- Very high-grade, light sour crude oil
- ≈500 million barrels of crude oil produced
- Pressurized formations



Northwest Florida Oil and Gas Production Well



Basic Drilling and Production Statistics for Florida

Crude oil produced in Florida 1943 - 2014	614.5 million barrels
Natural gas produced in Florida 1943 - 2014	727 billion cubic feet
Peak Production Year (Florida ranked 8th among oil producing states)	1978
Crude oil produced during 1978	48 million barrels
Natural gas produced during 1978	52 billion cubic feet
Total number of oil/gas fields 1943 – 2015 in Big Cypress	6 fields
Total number of oil/gas fields 1943 – 2014	22 fields
Current number of active oil/gas fields	9 fields
Current number of permitted oil and gas wells	161 wells
Current number of producing wells	75 wells
Total drilling permit applications received 1943 - 2014	1449 applications
Total known wells drilled prior to regulatory permitting in 1943	121 wells
Number of wells brought on line as producers 1943 - 2014	361 wells
Number of dry holes 1943 - 2010	726 wells
Geophysical exploration applications 1984 - 2010	169 applications
Biggest oil and gas field (Jay Field, 1970 - 2010)	427 million barrels
Smallest oil and gas field (Baxter Island Field, 1977 - 1978)	1203 barrels
Deepest oil and gas field (McDavid Field, 1988 - 1991)	16,810 feet
Most productive oil and gas well (Permit 923, Jay Field, 1978)	7212 barrels per day



Questions

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