By Senator Dean

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A bill to be entitled

An act relating to mitigation requirements for transportation projects; amending s. 373.4137, F.S.; revising legislative intent to encourage the use of other mitigation options that satisfy state and federal requirements; providing the Department of Transportation or a transportation authority the option of participating in a mitigation project; requiring the Department of Transportation or a transportation authority to submit lists of its projects in the adopted work program to the water management districts; requiring a list rather than a survey of threatened or endangered species and species of special concern affected by a proposed project; providing conditions for the release of certain environmental mitigation funds; prohibiting a mitigation plan from being implemented unless the plan is submitted to and approved by the Department of Environmental Protection; providing additional factors that must be explained regarding the choice of mitigation bank; removing a provision requiring an explanation for excluding certain projects from the mitigation plan; providing criteria that the Department of Transportation must use in determining which projects to include or exclude in the mitigation plan; prohibiting a governmental entity from providing or creating mitigation except under specified circumstances; providing an effective date.

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

Section 1. Subsections (1) and (2), paragraph (c) of subsection (3), and subsections (4) and (5) of section 373.4137, Florida Statutes, are amended, and subsection (10) is added to that section, to read:

373.4137 Mitigation requirements for specified transportation projects.—

- (1) The Legislature finds that environmental mitigation for the impact of transportation projects proposed by the Department of Transportation or a transportation authority established pursuant to chapter 348 or chapter 349 can be more effectively achieved by regional, long-range mitigation planning rather than on a project-by-project basis. It is the intent of the Legislature that mitigation to offset the adverse effects of these transportation projects be funded by the Department of Transportation and be carried out by the water management districts, including the use of mitigation banks and any other mitigation options that satisfy state and federal requirements established pursuant to this part.
- (2) Environmental impact inventories for transportation projects proposed by the Department of Transportation or a transportation authority established pursuant to chapter 348 or chapter 349 shall be developed as follows:
- (a) By July 1 of each year, the Department of Transportation or a transportation authority established pursuant to chapter 348 or chapter 349 which chooses to participate in the program shall submit to the water management districts a list copy of its projects in the adopted work

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program and an environmental impact inventory of habitats addressed in the rules adopted pursuant to this part and s. 404 of the Clean Water Act, 33 U.S.C. s. 1344, which may be impacted by its plan of construction for transportation projects in the next 3 years of the tentative work program. The Department of Transportation or a transportation authority established pursuant to chapter 348 or chapter 349 may also include in its environmental impact inventory the habitat impacts of any future transportation project. The Department of Transportation and each transportation authority established pursuant to chapter 348 or chapter 349 may fund any mitigation activities for future projects using current year funds.

(b) The environmental impact inventory shall include a description of these habitat impacts, including their location, acreage, and type; state water quality classification of impacted wetlands and other surface waters; any other state or regional designations for these habitats; and a <u>list survey</u> of threatened species, endangered species, and species of special concern affected by the proposed project.

(3)

(c) Except for current mitigation projects in the monitoring and maintenance phase and except as allowed by paragraph (d), the water management districts may request a transfer of funds from an escrow account no sooner than 30 days before prior to the date the funds are needed to pay for activities associated with development or implementation of the approved mitigation plan described in subsection (4) for the current fiscal year, including, but not limited to, design, engineering, production, and staff support. Actual conceptual

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plan preparation costs incurred before plan approval may be submitted to the Department of Transportation or the appropriate transportation authority each year with the plan. The conceptual plan preparation costs of each water management district will be paid from mitigation funds associated with the environmental impact inventory for the current year. The amount transferred to the escrow accounts each year by the Department of Transportation and participating transportation authorities established pursuant to chapter 348 or chapter 349 shall correspond to a cost per acre of \$75,000 multiplied by the projected acres of impact identified in the environmental impact inventory described in subsection (2). However, the \$75,000 cost per acre does not constitute an admission against interest by the state or its subdivisions and nor is not the cost admissible as evidence of full compensation for any property acquired by eminent domain or through inverse condemnation. Each July 1, the cost per acre shall be adjusted by the percentage change in the average of the Consumer Price Index issued by the United States Department of Labor for the most recent 12-month period ending September 30, compared to the base year average, which is the average for the 12-month period ending September 30, 1996. Each quarter, the projected acreage of impact shall be reconciled with the acreage of impact of projects as permitted, including permit modifications, pursuant to this part and s. 404 of the Clean Water Act, 33 U.S.C. s. 1344. The subject year's transfer of funds shall be adjusted accordingly to reflect the acreage of impacts as permitted. The Department of Transportation and participating transportation authorities established pursuant to chapter 348 or chapter 349 are authorized to transfer such funds

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from the escrow accounts to the water management districts to carry out the mitigation programs. Environmental mitigation funds that are identified for or maintained in an escrow account for the benefit of a water management district may be released if the associated transportation project is excluded in whole or part from the mitigation plan. For a mitigation project that is in the maintenance and monitoring phase, the water management district may request and receive a one-time payment based on the project's expected future maintenance and monitoring costs. Upon disbursement of the final maintenance and monitoring payment, the escrow account for the project established by the Department of Transportation or the participating transportation authority may be closed. Any interest earned on these disbursed funds shall remain with the water management district and must be used as authorized under this section.

(4) <u>Before</u> Prior to March 1 of each year, each water management district, in consultation with the Department of Environmental Protection, the United States Army Corps of Engineers, the Department of Transportation, <u>participating</u> transportation authorities established pursuant to chapter 348 or chapter 349, and other appropriate federal, state, and local governments, and other interested parties, including entities operating mitigation banks, shall develop a plan for the primary purpose of complying with the mitigation requirements adopted pursuant to this part and 33 U.S.C. s. 1344. In developing such plans, the districts shall <u>use utilize</u> sound ecosystem management practices to address significant water resource needs and shall focus on activities of the Department of Environmental Protection and the water management districts, such as surface

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water improvement and management (SWIM) projects and lands identified for potential acquisition for preservation, restoration, or enhancement, and the control of invasive and exotic plants in wetlands and other surface waters, to the extent that the such activities comply with the mitigation requirements adopted under this part and 33 U.S.C. s. 1344. In determining the activities to be included in the such plans, the districts shall also consider the purchase of credits from public or private mitigation banks permitted under s. 373.4136 and associated federal authorization and shall include the such purchase as a part of the mitigation plan when the such purchase would offset the impact of the transportation project, provide equal benefits to the water resources than other mitigation options being considered, and provide the most cost-effective mitigation option. The mitigation plan shall be submitted to the water management district governing board, or its designee, for review and approval. At least 14 days before prior to approval, the water management district shall provide a copy of the draft mitigation plan to any person who has requested a copy. The plan may not be implemented until it is submitted to and approved by the Department of Environmental Protection.

- (a) For each transportation project with a funding request for the next fiscal year, the mitigation plan must include a brief explanation of why a mitigation bank was or was not chosen as a mitigation option, including an estimation of identifiable costs of the mitigation bank and nonbank options and other factors such as time saved, liability for success of the mitigation, and long-term maintenance to the extent practicable.
 - (b) Specific projects may be excluded from the mitigation

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plan, in whole or in part, and <u>are shall</u> not <u>be</u> subject to this section upon the <u>election</u> <u>agreement</u> of the Department of Transportation, <u>or</u> a transportation authority if applicable, <u>or</u> and the appropriate water management district that the inclusion of such projects would hamper the efficiency or timeliness of the mitigation planning and permitting process. The water management district may choose to exclude a project in whole or in part if the district is unable to identify mitigation that would offset impacts of the project.

- (c) When determining which projects to include or exclude from the mitigation plan, the department shall investigate using credits from a permitted private mitigation bank before those projects are submitted to, or are allowed to remain in, the plan.
- 1. The investigation shall include the cost-effectiveness of private mitigation bank credits.
- 2. The cost-effectiveness analysis must be in writing and consider:
- a. How the nominal cost of the private mitigation bank credits compares with the nominal cost for any given project to be included in the plan;
- b. The value of complying with federal transportation policies for federal aid projects;
- c. The value that private mitigation bank credits provide as the result of the expedited approvals by the Army Corps of Engineers when private mitigation banks are used; and
- d. The value that private mitigation banks provide to the state and its residents as a result of the state and federal liability for the success of the mitigation transferring to the

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private mitigation bank when credits are purchased from the private mitigation bank.

- responsible for ensuring that mitigation requirements pursuant to 33 U.S.C. s. 1344 are met for the impacts identified in the environmental impact inventory described in subsection (2), by implementation of the approved plan described in subsection (4) to the extent funding is provided by the Department of Transportation, or a transportation authority established pursuant to chapter 348 or chapter 349, if applicable. During the federal permitting process, the water management district may deviate from the approved mitigation plan in order to comply with federal permitting requirements.
- (10) Except when a governmental entity is part of the program established by this section, a governmental entity may not create or provide mitigation unless the mitigation is for the governmental entity's own project, uses new land that has not been previously purchased for conservation, does not compete with any permitted, privately owned mitigation bank, and has all of its current and future liabilities prefunded in a cash account, or other equivalent financial instrument typically used by private mitigation banks, and established solely for that purpose.
 - Section 2. This act shall take effect July 1, 2012.