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By the Committee on Environment and Natural Resources; and Senator Brodeur

592-02180-24 20241532c1

A bill to be entitled An act relating to mitigation; reordering and amending s. 373.403, F.S.; defining the term "private-sector sponsor"; making technical changes; amending s. 373.4134, F.S.; revising legislative findings; defining the term "applicant"; revising the entities to and purposes for which water quality enhancement credits may be sold; requiring the Department of Environmental Protection or water management districts to authorize the sale and use of such credits to applicants, rather than to governmental entities, to address adverse water quality impacts of certain activities; revising construction; amending s. 373.4135, F.S.; revising legislative findings; authorizing governmental entities to solicit certain proposals for mitigation bank projects on public land; providing requirements for the proposals and for agreements between local governmental and private entities; providing requirements for the agreements; providing requirements for the department and water management districts in assigning mitigation bank credits to the bank; providing applicability; providing construction; amending ss. 330.41, 373.414, and 373.461, F.S.; conforming cross-references; reenacting s. 403.9332(1)(a) and (c), F.S., relating to mitigation and enforcement, to incorporate the amendments made to s. 373.4135, F.S., in references

thereto; providing an effective date.

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

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Section 1. Section 373.403, Florida Statutes, is reordered and amended to read:

373.403 Definitions.—When appearing in this part or in any rule, regulation, or order adopted pursuant thereto, the following terms mean:

- $\underline{(4)}$ "Dam" means any artificial or natural barrier, with appurtenant works, raised to obstruct or impound, or which does obstruct or impound, any of the surface waters of the state.
- (2) "Appurtenant works" means any artificial improvements to a dam which might affect the safety of such dam or, when employed, might affect the holding capacity of such dam or of the reservoir or impoundment created by such dam.
- (10)(3) "Impoundment" means any lake, reservoir, pond, or other containment of surface water occupying a bed or depression in the earth's surface and having a discernible shoreline.
- $\underline{(18)}$ "Reservoir" means any artificial or natural holding area which contains or will contain the water impounded by a dam.
- (23) (5) "Works" means all artificial structures, including, but not limited to, ditches, canals, conduits, channels, culverts, pipes, and other construction that connects to, draws water from, drains water into, or is placed in or across the waters in the state.
- (3) (6) "Closed system" means any reservoir or works located entirely within agricultural lands owned or controlled by the user and which requires water only for the filling, replenishing, and maintaining the water level thereof.

592-02180-24 20241532c1

(1) (7) "Alter" means to extend a dam or works beyond maintenance in its original condition, including changes which may increase or diminish the flow or storage of surface water which may affect the safety of such dam or works.

- (12) (8) "Maintenance" or "repairs" means remedial work of a nature as may affect the safety of any dam, impoundment, reservoir, or appurtenant work or works, but excludes routine custodial maintenance.
 - (5) (9) "Drainage basin" means a subdivision of a watershed.
- (21) (10) "Stormwater management system" means a system which is designed and constructed or implemented to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use, or reuse water to prevent or reduce flooding, overdrainage, environmental degradation, and water pollution or otherwise affect the quantity and quality of discharges from the system.
- (20) (11) "State water quality standards" means water quality standards adopted pursuant to chapter 403.
- (22) "Watershed" means the land area that which contributes to the flow of water into a receiving body of water.
- (6) (13) "Dredging" means excavation, by any means, in surface waters or wetlands, as delineated in s. 373.421(1). The term It also means the excavation, or creation, of a water body which is, or is to be, connected to surface waters or wetlands, as delineated in s. 373.421(1), directly or via an excavated water body or series of water bodies.
- (9) (14) "Filling" means the deposition, by any means, of materials in surface waters or wetlands, as delineated in s.

88 373.421(1).

(8) (15) "Estuary" means a semienclosed, naturally existing coastal body of water that which has a free connection with the open sea and within which seawater is measurably diluted with fresh water derived from riverine systems.

- (11) (16) "Lagoon" means a naturally existing coastal zone depression that which is below mean high water and that which has permanent or ephemeral communications with the sea, but which is protected from the sea by some type of naturally existing barrier.
- (19) "Seawall" means a manmade wall or <u>an</u> encroachment, except riprap, which is made to break the force of waves and to protect the shore from erosion.
- (7) (18) "Ecological value" means the value of functions performed by uplands, wetlands, and other surface waters to the abundance, diversity, and habitats of fish, wildlife, and listed species. These functions include, but are not limited to, providing cover and refuge; breeding, nesting, denning, and nursery areas; corridors for wildlife movement; food chain support; and natural water storage, natural flow attenuation, and water quality improvement, which enhances fish, wildlife, and listed species utilization.
- $\underline{(13)}$ "Mitigation bank" means a project permitted under s. 373.4136 undertaken to provide for the withdrawal of mitigation credits to offset adverse impacts authorized by a permit under this part.
- $\underline{(14)}$ "Mitigation credit" means a standard unit of measure which represents the increase in ecological value resulting from restoration, enhancement, preservation, or

117 creation activities.

 $\underline{(15)}$ "Mitigation service area" means the geographic area within which mitigation credits from a mitigation bank may be used to offset adverse impacts of activities regulated under this part.

- (16) (22) "Offsite regional mitigation" means mitigation on an area of land off the site of an activity permitted under this part, where an applicant proposes to mitigate the adverse impacts of only the applicant's specific activity as a requirement of the permit, which provides regional ecological value, and which is not a mitigation bank permitted under s. 373.4136.
- (17) "Private-sector sponsor" means an individual or entity that establishes and operates a wetland mitigation bank project and is responsible for compliance with any permit or authorization, including, but not limited to, funding and undertaking wetland enhancement, restoration or creation activities, and the provision of financial assurances, as well as any required monitoring, reporting, and maintenance of the mitigation bank.

Section 2. Present paragraphs (a) through (e) of subsection (2) of section 373.4134, Florida Statutes, are redesignated as paragraphs (b) through (f), respectively, a new paragraph (a) is added to that subsection, and paragraphs (b), (d), and (e) of subsection (1), paragraph (b) of subsection (3), and paragraphs (a) and (j) of subsection (7) of that section are amended, to read:

- 373.4134 Water quality enhancement areas.-
- (1) LEGISLATIVE FINDINGS AND INTENT.—The Legislature finds

that:

(b) An expansion of existing authority for regional treatment to include offsite compensatory treatment in water quality enhancement areas to make enhancement credits available for purchase by an applicant or a governmental entity entities to address impacts regulated under this part is needed.

- (d) Water quality enhancement areas are a valuable tool to assist an applicant governmental entities in satisfying the net improvement performance standard under s. 373.414(1)(b)3. to ensure significant reductions of pollutant loadings.
- (e) Water quality enhancement areas that provide water quality enhancement credits to <u>applicants</u> governmental entities seeking permits under this part and <u>to</u> governmental entities seeking to meet an assigned basin management action plan allocation or reasonable assurance plan under s. 403.067 are considered an appropriate and permittable option.
 - (2) DEFINITIONS.—As used in this section, the term:
- (a) "Applicant" means a governmental entity or private sector entity that wishes to purchase water quality enhancement credits to meet an assigned basin management action plan allocation or reasonable assurance plan or for the purpose of achieving the net improvement performance standard under s. 373.414(1)(b)3.
 - (3) WATER QUALITY ENHANCEMENT AREAS.-
- (b) Water quality enhancement credits may be sold only to governmental entities or applicants seeking to meet an assigned basin management action plan allocation or reasonable assurance plan or for the purpose of achieving net improvement performance standards under s. 373.414(1)(b)3. after the governmental entity

592-02180-24 20241532c1

has provided reasonable assurances have been provided for the assurance of meeting department rules for design and construction of all onsite stormwater management, as required by law.

- (7) ENHANCEMENT CREDITS.-
- (a) The department or water management district shall authorize the sale and use of enhancement credits to applicants governmental entities to address adverse water quality impacts of activities regulated under this part or to assist governmental entities seeking to meet required nonpoint source contribution reductions assigned in a basin management action plan or reasonable assurance plan under s. 403.067.
- (j) Notwithstanding any other law, this section does not limit or restrict the authority of the department to deny the use of enhancement credits when the department is not reasonably assured that the use of the credits will not cause or contribute to a violation of water quality standards, even if the project being implemented by the applicant governmental entity is within the enhancement service area. The department may allow the use of enhancement credits if the department receives a request for the use of enhancement credits and determines that such use will not cause or contribute to a violation of water quality standards.

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

- 373.4135 Mitigation banks and offsite regional mitigation.-
- (1) The Legislature finds that the adverse impacts of activities regulated under this part may be offset by the

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592-02180-24 20241532c1

creation, maintenance, and use of mitigation banks and offsite regional mitigation. Mitigation banks and offsite regional mitigation can enhance the certainty of mitigation and provide ecological value due to the improved likelihood of environmental success associated with their proper construction, maintenance, and management. Therefore, the department and the water management districts are directed to participate in and encourage the establishment of private and public mitigation banks and offsite regional mitigation on private and public lands owned by a local government. Mitigation banks and offsite regional mitigation should emphasize the restoration and enhancement of degraded ecosystems and the preservation of uplands and wetlands as intact ecosystems rather than alteration of landscapes to create wetlands. This is best accomplished through restoration of ecological communities that were historically present.

- (a) The Legislature intends that the provisions for establishing mitigation banks apply equally to both public and private entities, except that the rules of the department and water management districts may set forth different measures governing financial responsibility, and different measures governing legal interest, needed to ensure the construction and perpetual protection of a mitigation bank.
- (b) The Legislature recognizes the importance of mitigation banks as an appropriate and allowable mitigation alternative to permittee-responsible mitigation. However, the Legislature also recognizes that certain timing and geographical constraints could result in the unavailability of mitigation bank credits for a certain project upon completion of the project's

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592-02180-24 20241532c1

application. If state and federal mitigation credits are not available to offset the adverse impacts of a project, a local government may allow permittee-responsible mitigation consisting of the restoration or enhancement of lands purchased and owned by a local government for conservation purposes, and such mitigation must conform to the permitting requirements of s. 373.4136. Except when a local government has allowed a public or private mitigation project, including permittee-responsible mitigation, to be created on land it has purchased for conservation purposes pursuant to this paragraph, a governmental entity may not create or provide mitigation for a project other than its own unless the governmental entity uses land that was not previously purchased for conservation and unless the governmental entity provides the same financial assurances as required for mitigation banks permitted under s. 373.4136. This paragraph does not apply to:

- 1. Mitigation banks permitted before December 31, 2011, under s. 373.4136;
- 2. Offsite regional mitigation areas established before December 31, 2011, under subsection (6) or, when credits are not available at a mitigation bank permitted under s. 373.4136, mitigation areas created by a local government which were awarded mitigation credits pursuant to the uniform mitigation assessment method as provided in chapter 62-345, Florida Administrative Code, under a permit issued before December 31, 2011;
- 3. Mitigation for transportation projects under ss. 373.4137 and 373.4139;
 - 4. Mitigation for impacts from mining activities under s.

373.41492;

5. Mitigation provided for single-family lots or homeowners under subsection (7);

- 6. Entities authorized in chapter 98-492, Laws of Florida;
- 7. Mitigation provided for electric utility impacts certified under part II of chapter 403; or
- 8. Mitigation provided on sovereign submerged lands under subsection (6).
- (c) It is the further intent of the Legislature that mitigation banks and offsite regional mitigation be considered appropriate and a permittable mitigation option under the conditions specified by the rules of the department and water management districts.
- (d) Offsite mitigation, including offsite regional mitigation, may be located outside the regional watershed in which the adverse impacts of an activity regulated under this part are located, if such adverse impacts are offset by the offsite mitigation.
- (e) The department or water management district may allow the use of a mitigation bank or offsite regional mitigation alone or in combination with other forms of mitigation to offset adverse impacts of activities regulated under this part.
- (f) When an applicant <u>seeking</u> for a permit under the provisions of this part other than this section and s. 373.4136 submits more than one mitigation proposal to the department or a water management district, the department or water management district shall, in evaluating each proposal, ensure that such proposal adequately offsets the adverse impacts.
 - (8) A local government may, through a public procurement

592-02180-24 20241532c1

process, solicit proposals from private-sector sponsors for a mitigation bank on public lands purchased for conservation purposes. If such a mitigation bank is to be established and operated on public land, the local government and private-sector sponsor must enter into an agreement requiring the private-sector sponsor to establish and operate the mitigation bank to conform to the permitting requirements of s. 373.4136.

- (a) The agreement must require the private-sector sponsor to pay a usage fee to the local government which reflects the market value of the public land, as determined by a competitive process in accordance with state law or such other method of assuring that the cost of the use of the public land is fully accounted for in the pricing of mitigation credits.
- (b) In determining the number of mitigation bank credits assigned to the mitigation bank, the department or water management district shall reflect the conservation status of the land in the location factor set forth in the uniform mitigation assessment method.
- (c) This subsection applies to drainage basins or corresponding hydrologic units if the private-sector sponsor demonstrates to the department or water management district that in-kind credits are not available.
- (d) Rulemaking is not required to implement this subsection.
- Section 4. Paragraph (a) of subsection (2) of section 330.41, Florida Statutes, is amended to read:
 - 330.41 Unmanned Aircraft Systems Act.-
 - (2) DEFINITIONS.—As used in this act, the term:
 - (a) "Critical infrastructure facility" means any of the

592-02180-24 20241532c1

following, if completely enclosed by a fence or other physical barrier that is obviously designed to exclude intruders, or if clearly marked with a sign or signs which indicate that entry is forbidden and which are posted on the property in a manner reasonably likely to come to the attention of intruders:

- 1. A power generation or transmission facility, substation, switching station, or electrical control center.
 - 2. A chemical or rubber manufacturing or storage facility.
- 3. A water intake structure, water treatment facility, wastewater treatment plant, or pump station.
 - 4. A mining facility.
- 5. A natural gas or compressed gas compressor station, storage facility, or natural gas or compressed gas pipeline.
- 6. A liquid natural gas or propane gas terminal or storage facility.
 - 7. Any portion of an aboveground oil or gas pipeline.
 - 8. A refinery.
- 9. A gas processing plant, including a plant used in the processing, treatment, or fractionation of natural gas.
- 10. A wireless communications facility, including the tower, antennae, support structures, and all associated ground-based equipment.
- 11. A seaport as listed in s. 311.09(1), which need not be completely enclosed by a fence or other physical barrier and need not be marked with a sign or signs indicating that entry is forbidden.
- 12. An inland port or other facility or group of facilities serving as a point of intermodal transfer of freight in a specific area physically separated from a seaport.

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592-02180-24 20241532c1

- 349 13. An airport as defined in s. 330.27.
 - 14. A spaceport territory as defined in s. 331.303(18).
- 351 15. A military installation as defined in 10 U.S.C. s.
- 352 2801(c)(4) and an armory as defined in s. 250.01.
 - 16. A dam as defined in <u>s. 373.403</u> s. 373.403(1) or other structures, such as locks, floodgates, or dikes, which are designed to maintain or control the level of navigable waterways.
 - 17. A state correctional institution as defined in s. 944.02 or a private correctional facility authorized under chapter 957.
 - 18. A secure detention center or facility as defined in s. 985.03, or a nonsecure residential facility, a high-risk residential facility, or a maximum-risk residential facility as those terms are described in s. 985.03(44).
 - 19. A county detention facility as defined in s. 951.23.
 - 20. A critical infrastructure facility as defined in s. 692.201.
 - Section 5. Paragraph (a) of subsection (8) of section 373.414, Florida Statutes, is amended to read:
 - 373.414 Additional criteria for activities in surface waters and wetlands.—
 - (8) (a) The governing board or the department, in deciding whether to grant or deny a permit for an activity regulated under this part shall consider the cumulative impacts upon surface water and wetlands, as delineated in s. 373.421(1), within the same drainage basin as defined in s. 373.403 s. 373.403(9), of:
 - 1. The activity for which the permit is sought.

592-02180-24 20241532c1

2. Projects which are existing or activities regulated under this part which are under construction or projects for which permits or determinations pursuant to s. 373.421 or s. 403.914 have been sought.

3. Activities which are under review, approved, or vested pursuant to s. 380.06, or other activities regulated under this part which may reasonably be expected to be located within surface waters or wetlands, as delineated in s. 373.421(1), in the same drainage basin as defined in $\underline{s. 373.403} \ \underline{s. 373.403(9)}$, based upon the comprehensive plans, adopted pursuant to chapter 163, of the local governments having jurisdiction over the activities, or applicable land use restrictions and regulations.

Section 6. Paragraph (c) of subsection (2) of section 373.461, Florida Statutes, is amended to read:

- 373.461 Lake Apopka improvement and management.-
- (2) DEFINITIONS.—As used in this section:
- (c) "Stormwater management system" has the meaning set forth in $\underline{s. 373.403}$ $\underline{s. 373.403(10)}$.

Section 7. For the purpose of incorporating the amendment made by this act to section 373.4135, Florida Statutes, in references thereto, paragraphs (a) and (c) of subsection (1) of section 403.9332, Florida Statutes, are reenacted to read:

403.9332 Mitigation and enforcement.

(1) (a) Any area in which 5 percent or more of the trimmed mangrove trees have been trimmed below 6 feet in height, except as provided in s. 403.9326(1)(c), (d), (f), (g), and (h), destroyed, defoliated, or removed as a result of trimming conducted under s. 403.9326 or s. 403.9327 must be restored or mitigated. Restoration must be accomplished by replanting

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592-02180-24 20241532c1

mangroves, in the same location and of the same species as each mangrove destroyed, defoliated, removed, or trimmed, to achieve within 5 years a canopy area equivalent to the area destroyed, removed, defoliated, or trimmed; or mitigation must be accomplished by replanting offsite, in areas suitable for mangrove growth, mangroves to achieve within 5 years a canopy area equivalent to the area destroyed, removed, defoliated, or trimmed. Where all or a portion of the restoration or mitigation is not practicable, as determined by the department or delegated local government, the impacts resulting from the destruction, defoliation, removal, or trimming of the mangroves must be offset by donating a sufficient amount of money to offset the impacts, which must be used for the restoration, enhancement, creation, or preservation of mangrove wetlands within a restoration, enhancement, creation, or preservation project approved by the department or delegated local government; or by purchasing credits from a mitigation bank created under s. 373.4135 at a mitigation ratio of 2-to-1 credits to affected area. The donation must be equivalent to the cost, as verified by the department or delegated local government, of creating mangrove wetlands at a 2-to-1, created versus affected ratio, based on canopy area. The donation may not be less than \$4 per square foot of created wetland area.

(c) If mangroves are to be trimmed or altered under a permit issued under s. 403.9328, the department or delegated local government may require mitigation. The department or delegated local government shall establish reasonable mitigation requirements that must include, as an option, the use of mitigation banks created under s. 373.4135, where appropriate.

592-02180-24

The department's mitigation requirements must ensure that
payments received as mitigation are sufficient to offset impacts
and are used for mangrove creation, preservation, protection, or
enhancement.

Section 8. This act shall take effect July 1, 2024.

Page 16 of 16