## SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based only on the provisions contained in the legislation as of the latest date listed below.)

Date:	April 15, 1998	Revised:		
Subject: Environmental Mitigation				
	<u>Analyst</u>	Staff Director	<u>Reference</u>	Action
1.  Bra    2.	nning	Voigt	NR CA WM	Favorable/CS

#### I. Summary:

This bill creates the Lake Belt Mitigation Trust Fund to be administered by the South Florida Water Management District. Authorizes the district to issue revenue bonds by pledging the revenues from the Lake Belt Mitigation Fee. Provides that the net proceeds from the Lake Belt Mitigation Fee and from any revenue bond issues will be deposited into this trust fund.

This bill creates unspecified sections in the Florida Statutes.

#### II. Present Situation:

The Dade County rock mining industry supplies more than half of the construction grade rock and sand used throughout Florida for building roads, schools, and for private construction. The Dade County deposit spreads under the urban areas and out into the wetlands of the water conservation areas. Most of the Dade County rock is mined in a narrow strip of land located between the urban areas and the conservation areas called the Dade County Lake Belt Area. The Lake Belt produces about 35-40 million tons of rock annually, transforming about 300 acres of melaleuca-infested wetlands into lakes 80 feet deep, surrounded by manmade wetlands.

In 1984, the Florida Legislature passed the Henderson Wetlands Act which expanded wetland regulatory jurisdiction for dredge and fill activities in the state. This act recognized the economic importance of mining in the Lake Belt and exempted ongoing mining operations located east of the Dade-Broward Levee from state wetlands jurisdictions for a period of ten years. During the 1994 Legislative Session, the exemption was extended for a reduced area until October, 1997. While these lands have been exempt from state permitting, they have continued to be regulated by both Dade County and the U.S. Army Corps of Engineers (Corps).

After environmental studies, the Corps, the DEP, and the Dade County Department of Environmental Resource Management (DERM) determined that for each wetland acre mined, 2.5 acres of wetlands within the area should be purchased, enhanced, and maintained in perpetuity as mitigation for the mining activities.

In 1992, pursuant to ch. 92-132, L.O.F., the Legislature established the Northwest Dade County Freshwater Lake Plan Implementation Committee. The committee will expire January 1, 1999. The committee was created as a public and private partnership to develop a plan for the design and implementation of a freshwater lake system in Northwest Dade County. The committee was to develop a plan that would enhance the water supply for Dade County and the Everglades, maximize efficient recovery of limestone while promoting the social and economic welfare of the community and protecting the environment, and educate various groups and the general public of the benefits of the plan. The committee's report and recommendations were submitted in February 1997.

The February 1997 report contains specific recommendations concerning:

- Streamlining the permitting process for rock mining within the Lake Belt;
- Identifying areas for mining, mitigation, and additional analysis;
- Establishing a dedicated funding mechanism for mitigation;
- Authorizing government-industry land exchanges; and
- Authorizing state agencies to enter into agreements to implement the plan.

When the departments of Natural Resources and Environmental Regulation were merged into the new DEP, certain mining activities were exempted from environmental resource permitting requirements and continue to be regulated under the rules and laws in effect on January 1, 1993. This exemption is to remain in effect until January 1, 1998, and does not apply to any mine on which the operator had not commenced construction or initiated the permitting process prior to June 1, 1994.

On March 13, 1998, the Natural Resources Committee amended the provisions of SB 1988, as filed, with modifications, onto CS/SB 986. The provisions passed by the committee provided for a fee to be levied on the extraction of limerock and sand from the Dade County Lake Belt Area.

## III. Effect of Proposed Changes:

The committee substitute provides for the creation of the Lake Belt Mitigation Trust Fund to be administered by the South Florida Water Management District.

The South Florida Water Management District may issue revenue bonds pursuant to s. 373.584, F.S., by pledging the revenues from the Lake Belt Mitigation Fee. The net proceeds from the Lake Belt Mitigation Fee and from any revenue bond issues will be deposited in this trust fund, and together with any interest earnings, applied against Lake Belt mitigation projects.

#### **IV.** Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

#### V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

As amended by the Natural Resources Committee, CS/SB 986 would impose a fee of 4.41 cents per ton of sand and limerock and sand extracted from the Dade County Lake Belt area. This bill would allow the proceeds from this revenue to be deposited in this trust fund. Also, the South Florida Water Management District would be able to issue revenue bonds by pledging the revenue from the 4.41-cent fee.

C. Government Sector Impact:

None.

## VI. Technical Deficiencies:

As provided in s. 19(f), Art. III, of the State Constitution, trust funds must be created by a separate bill and must pass by a three-fifths vote of each house of the Legislature. The passage and effective date of this bill should be contingent on the passage of CS/SB 986 which provides for the fee.

#### VII. Related Issues:

None.

# VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.