

STORAGE NAME: h3671s1a.gg

DATE: April 15, 1998

**HOUSE OF REPRESENTATIVES
AS REVISED BY THE COMMITTEE ON
GENERAL GOVERNMENT APPROPRIATIONS
BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

BILL #: CS/HB 3671

RELATING TO: Timber Management

SPONSOR(S): Committee on Agriculture and Representative Sembler

COMPANION BILL(S): CS/SB 840 (s)

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) AGRICULTURE YEAS 7 NAYS 0
 - (2) GENERAL GOVERNMENT APPROPRIATIONS YEAS 10 NAYS 0
 - (3)
 - (4)
 - (5)
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I. SUMMARY:

State agencies managing state-owned lands over 1,000 acres currently must prepare an analysis of multiple-use potential for the land. This bill directs the Division of Forestry (DOF) to prepare a component or section to be included in this analysis that shall assess the feasibility of managing timber on the parcel for resource conservation and revenue generation, as long as the timber management is not in conflict with the primary management objectives for the parcel. If the assessment concludes that timber management is feasible on the land, DOF must prepare a timber management component for the lead agency's land management plan, which is submitted to the Division of State Lands every five years.

The bill provides that, for lands that have been deemed feasible, DOF shall manage the timber on the parcels and shall be reimbursed for management services, including costs for planning, reforestation, controlling for insect, disease and exotic plant species, prescribed burning, and timber harvesting, plus an administrative charge of 10 percent of all revenue generated from the timber sales. It also requires that DOF immediately begin an aggressive program to reforest and afforest lands over which it has forest resource management responsibility.

The Land Acquisition and Management Advisory Council (council) annually provides assistance to the Board of Trustees of the Internal Improvement Trust Fund (board) in reviewing the recommendations and plans for state-owned lands. This bill requires that the council specifically consider management of timber as a feasible multiple-use strategy for state-owned lands.

The bill requires that water management districts prepare land management plans in a manner and form prescribed by the governing board of the district. The plans must also meet the requirements of section 253.034(5), F.S., which addresses the preparation and submission of land management plans.

State expenditures in enacting this legislation would be approximately \$2,320,553 in FY 1998-99, \$2,313,062 in FY 1999-2000, and \$2,424,081 in FY 2000-2001. Revenues cannot be calculated at this time but are expected in the long-term.

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II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

Section 253.034, F.S., mandates that state agencies managing state-owned lands submit a land management plan to the Division of State Lands every five years. Currently, all plans for parcels larger than 1,000 acres must contain an analysis of the multiple-use potential and the potential to generate revenues to enhance the management of the parcel.

Once land management agencies have submitted their land management plans to the Division of State Lands, the plans are made public and are reviewed by the Land Acquisition and Management Advisory Council (council). As required by section 259.035, F.S., the council must consider the optimization of multiple-use strategies on state-managed lands and provide assistance to the Board of Trustees of the Internal Improvement Trust Fund (board) in reviewing the recommendations and plans for state-owned lands.

In accordance with section 373.591, F.S., water management districts submit land management plans which are periodically reviewed by land management review teams to determine whether lands bought for conservation, preservation, and recreation are being managed for the purposes for which they were acquired and in accordance with land management objectives. If the review team determines the lands are not being managed in accordance with their management plan, the land managing agency provides a written explanation to the management review team.

The Division of Forestry is the lead management agency for 738,332 acres of state land, which includes all 36 state forests in Florida. In addition, the division functions as a cooperating agency in the management of 277,834 acres and manages another 240,551 acres under special agreements.

B. EFFECT OF PROPOSED CHANGES:

The bill requires the Division of Forestry (DOF) to prepare a component or section of the multiple-use analysis assessing the feasibility of managing timber on a parcel for resource conservation and revenue generation. This component is to be included in the lead agency's analysis of land parcels over 1,000 acres, if the lead agency determines that timber management is not in conflict with the primary management objectives for the parcel. If land is deemed to be feasible for timber management, DOF is to prepare a timber resource management component to be included in the land management plan of the lead land managing agency, unless there is a previous agreement already in place between DOF and the lead agency.

The bill also provides that DOF shall manage the timber on the parcels described in the timber resource management component and shall be reimbursed by the lead agency for management services, including costs for planning, reforestation, controlling for insect, disease and exotic plant species, prescribed burning, and timber harvesting, plus an administrative charge of 10 percent of all revenue generated from the timber. The department is authorized to hire personnel, and acquire resources and services necessary to carry out the new responsibilities.

The bill directs that when the council reviews the recommendations and plans, it shall specifically consider the management of timber, in conformance with a timber resource management component, as a feasible multiple-use strategy for state-owned lands.

The bill requires that water management districts prepare management plans in a manner and form prescribed by the governing board of the district. These plans must also meet the requirements of section 253.034(5), F.S., which addresses the preparation and submission of land management plans.

In accordance with section 589.04(4), F.S., DOF is directed to immediately begin an aggressive program to reforest and afforest, with appropriate tree species, lands over which it has forest resource management responsibility.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

No.

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

Yes. The DOF will be required to visit state-owned lands and conduct assessments regarding the feasibility of managing timber on parcels over 1,000 acres. These assessments shall be included in a component or section of the lead agency's analysis. If land is found to be suitable for timber management, DOF must prepare a timber resource management component to be included in the lead agency's land management plan, which is submitted to the Division of State Lands every five years.

Also, if land is deemed suitable, DOF will manage the timber on the parcels, including planning, reforestation, insect, disease, and exotic plant species control, prescribed burning and timber harvesting. The division will also track costs involved, and bill lead agencies for the costs of the timber management plus an administrative charge of 10 percent of the revenue generated from the timber.

DOF is directed to begin an aggressive program to reforest and afforest lands over which it has forest resource management responsibility. According to the division, this entails the growing of necessary tree seedlings, either in state or private nurseries, the preparation of sites to be planted, and the actual planting of the tree seedlings. Most, if not all, of the site preparation and planting is expected to be done through private contractors.

(3) any entitlement to a government service or benefit?

No.

b. If an agency or program is eliminated or reduced: **Not applicable.**

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

(2) what is the cost of such responsibility at the new level/agency?

(3) how is the new agency accountable to the people governed?

2. Lower Taxes: **Not applicable.**

a. Does the bill increase anyone's taxes?

b. Does the bill require or authorize an increase in any fees?

c. Does the bill reduce total taxes, both rates and revenues?

d. Does the bill reduce total fees, both rates and revenues?

e. Does the bill authorize any fee or tax increase by any local government?

3. Personal Responsibility: **Not applicable.**

a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

4. Individual Freedom: **Not applicable.**

- a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?
- b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

5. Family Empowerment: **Not applicable.**

- a. If the bill purports to provide services to families or children:
 - (1) Who evaluates the family's needs?
 - (2) Who makes the decisions?
 - (3) Are private alternatives permitted?
 - (4) Are families required to participate in a program?
 - (5) Are families penalized for not participating in a program?
- b. Does the bill directly affect the legal rights and obligations between family members?
- c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:
 - (1) parents and guardians?
 - (2) service providers?
 - (3) government employees/agencies?

D. STATUTE(S) AFFECTED:

Sections 253.034, 259.035, 373.591, and 589.04, F.S.

E. SECTION-BY-SECTION RESEARCH:

Section 1: Amends section 253.034, F.S., to direct the Division of Forestry (DOF) to assess the feasibility of managing timber on state-owned parcels over 1,000 acres and to prepare a component describing such assessment to be included in the lead agency's analysis. Also requires the DOF to prepare a timber resource management component of the lead agency's land management plan for any lands deemed feasible for timber management. If timber management is feasible, the DOF is to manage the timber resources on the parcels and to be reimbursed for the management services plus an administrative charge of 10 percent of the revenues generated from the timber. The DOF is authorized to hire personnel and acquire resources and services necessary to carry out the new responsibilities.

Section 2: Amends section 259.035, F.S., to direct the Land Acquisitions and Management Advisory Council (council) to specifically consider management of timber as a feasible multiple-use strategy for state-owned lands.

Section 3: Amends section 373.591, F.S., to require water management districts to prepare land management plans in accordance with the governing boards of their district and to also meet the requirements of section 253.034(5), F.S., relating to timber management plans.

Section 4: Amends section 589.04, F.S., to direct the DOF to immediately begin an aggressive program to reforest and afforest, with appropriate tree species, lands over which it has forest resource management responsibility.

Section 5: Provides that the act shall take effect upon becoming a law.

III. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

Revenues

Indeterminate.

Expenditures

	Amount Year 1 <u>FY 98-99</u>	Amount Year 2 <u>FY 99-00</u>	Amount Year 3 <u>FY 00-01</u>
Incidental Trust Fund			
Expenses*			
Uniforms @ \$480	\$1,920	\$1,920	\$960

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ArcView Software @ \$990	\$3,960	\$3,960	\$1,980
Forest Inventory Software @ \$1,200	\$4,800	\$4,800	\$2,400
OCO*			
3/4 ton Diesel Pick-up 4x4 w/ radio @ \$108,000		\$111,240	\$57,289
\$27,000 (3% increase 2nd & 3rd year)			
Standard OCO Package @ \$3,215	\$12,860	\$12,860	\$6,430
Aqua Duk Pump w/ tank @ \$1,688	\$6,752	\$6,752	\$3,376
GPS units @ \$3,200	\$12,800	\$12,800	\$6,400
Data Recorders @ \$2,500	\$10,000	\$10,000	\$5,000

<u>Total Non-recurring Expenditures</u>	\$161,092	\$164,332	\$83,835
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*These costs are for 4 FTE the 1st and 2nd year and 2 FTE the 3rd year.

2. Recurring Effects:

Revenues

Indeterminate.

Expenditures

	<u>FY 98-99</u>	<u>FY 99-00</u>	<u>FY 00-01</u>
Incidental Trust Fund			
Positions**			
7615 Forester @ \$38,768/ \$39,931/\$41,129	\$116,304 (4 FTE)	\$279,517 (8 FTE)	\$390,726 (10 FTE)
Expenses			
Professional Expense Package @ \$6,891	\$27,564	\$55,128	\$68,910
Uniform allowance @ \$200	\$800	\$1,600	\$2,000
Software package @ \$500	\$2,000	\$2,000	\$1,000
Software package upgrade in 3rd year	\$0	\$0	\$1,500
Non-operating Costs			
Administrative/ indirect non-operating costs	\$12,793	\$30,747	\$42,980
Total--Incidental Trust Fund	\$159,461	\$368,992	\$507,116

General Revenue

Expenses			
Reforestation and timber improvements***	\$2,000,000	\$1,779,738	\$1,833,130

Total--General Revenue	\$2,000,000	\$1,779,738	\$1,833,130
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Total Recurring Expenditures

Incidental Trust Fund	\$159,461	\$368,992	\$507,116
General Revenue Fund	\$2,000,000	\$1,779,738	\$1,833,130
All Funds	\$2,159,461	\$2,148,730	\$2,340,246

**Salaries and benefits were increased by 3% for the 2nd and 3rd years in anticipation of pay increases. The 1st year is allocated at a 25% lapse rate.

***Reforestation costs are for five years total. The 4th and 5th year amounts are \$1,888,124 and \$1,672,667, respectively.

3. Long Run Effects Other Than Normal Growth:

Indeterminate.

4. Total Revenues and Expenditures:**Revenues**

Indeterminate.

<u>Expenditures</u>	<u>FY 98-99</u>	<u>FY 99-00</u>	<u>FY 00-01</u>
Incidental Trust Fund	\$320,553	\$533,324	\$590,951
General Revenue	\$2,000,000	\$1,779,738	\$1,833,130
All Funds	\$2,320,553	\$2,313,062	\$2,424,081

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

Indeterminate.

2. Recurring Effects:

Local governments will receive more tax revenues through timber harvesting, site preparation, tree planting, and timber inventory activities. In addition, jobs will be created through increased management of these timber resources.

3. Long Run Effects Other Than Normal Growth:

Indeterminate.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

Indeterminate.

2. Direct Private Sector Benefits:

There will be more available work and raw materials for timber dealers, processors, mills, loggers, truckers, site prep and tree planting contractors and consulting foresters.

3. Effects on Competition, Private Enterprise and Employment Markets:

Indeterminate.

D. FISCAL COMMENTS:

None.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

The bill does not require counties or municipalities to spend funds or to take action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that municipalities or counties have to raise revenue in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce any state tax shared with counties or municipalities.

V. COMMENTS:

The Department of Environmental Protection's (DEP) analysis of HB 3671 states that passage of HB 3671 "would duplicate the ongoing activities of other land management agencies, particularly in the areas of planning, exotic plant control and prescribed burning. The result would be decreased efficiency, blurred lines of authority and responsibility, increased duplication of effort, and increased need for interagency coordination."

On March 17, 1998, the House Agriculture Committee adopted three amendments (discussed under "Amendments or Committee Substitute Changes") that were filed, at the request of DEP, to address some of the above concerns.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

On March 17, 1998, the House Agriculture Committee adopted a committee substitute for HB 3671. The substitute language differed from the original bill by:

- * allowing the lead management agency to determine if timber management is in conflict with the primary management objectives for the parcel;
- * allowing the lead management agency to determine whether the timber management component of the land management plan is compatible with the lead management agency's management objectives for other resources and values;
- * mandating that when the Land Acquisition and Management Advisory Council considers the management of timber as a feasible multiple-use strategy for state-owned lands, that it does it in conformance with a timber resource management component prepared by the Division of Forestry; and
- * creating subsection (4) of section 589.04, F.S., which directs the DOF to immediately begin an aggressive program to reforest and afforest, with appropriate tree species, lands over which it has forest resource management responsibility.

On April 14, 1998, the House Committee on General Government Appropriations adopted three amendments to CS/HB 3671 as follows:

Amendment 1--Provides an appropriation to the Department of Agriculture and Consumer Services (DACS) for FY 1998-99 of \$159,461, and four FTE, from the Incidental Trust Fund. Also appropriates \$2.0 million from the General Revenue Fund for FY 1998-99 to DACS for reforestation activities authorized in this bill.

Amendment 2--Provides that a qualified professional forester shall prepare a component or section in the required analysis of the feasibility of managing timber resources on a parcel.

Amendment 3--Requires for the timber resource management component to be prepared in a manner and form prescribed by the governing board of the appropriate water management district in conformance with subsection 253.034(5), F.S.

VII. SIGNATURES:

COMMITTEE ON AGRICULTURE:

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