

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

BILL: CS/SB 2358

SPONSOR: Natural Resources Committee and Senator Pruitt

SUBJECT: Lake Okeechobee Watershed Phosphorus Control Program

DATE: April 1, 2003

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Molloy</u>	<u>Kiger</u>	<u>NR</u>	<u>Fav/CS</u>
2.	_____	_____	<u>AG</u>	_____
3.	_____	_____	<u>CP</u>	_____
4.	_____	_____	<u>GO</u>	_____
5.	_____	_____	<u>AGG</u>	_____
6.	_____	_____	<u>AP</u>	_____

## I. Summary:

This bill establishes legislative findings and intent for the effective implementation of the Lake Okeechobee Watershed Phosphorus Control Program. The state is directed to expeditiously develop and implement comprehensive nutrient management plans for dairies and other agricultural operations that significantly contribute to phosphorus loading in the Lake Okeechobee watershed. The bill expresses the Legislature's intent to provide funding for implementation of phosphorus control measures on a continuous basis.

This bill authorizes the Department of Agriculture and Consumer Services (DACS) to provide grants of up to 75 percent of costs for phosphorus load reduction projects, and to provide loans for the remaining 25 percent of project costs. Projects must be ranked on the potential for phosphorus reduction and funded in priority order.

This bill creates section 373.45951, Florida Statutes.

## II. Present Situation:

### Lake Okeechobee Protection Program

Lake Okeechobee, the second largest freshwater lake in the continental United States, has a surface area of 730 square miles, and a drainage basin that covers more than 4,600 square miles. Lake Okeechobee is used as a public and agricultural water supply source, and has natural system and recreational uses. Over the years, excessive phosphorous loads from farms surrounding the Lake, harmful high and low water flows, and an increased spread of exotic vegetation all created significant water quality issues within the watershed. A 1999 report entitled the "Lake Okeechobee Action Plan" identified both watershed phosphorus loading and

internal phosphorous loading as two of three major issues affecting the Lake. In response, the 2000 Legislature enacted Chapter 2000-130, Laws of Florida, to create the Lake Okeechobee Protection Program.

The Lake Okeechobee Protection Program has eight program components which include:

- The *Lake Okeechobee Protection Plan* which requires that the South Florida Water Management District complete a plan by January, 2004, with an implementation schedule, for phosphorus load reduction measures consistent with the Total Daily Maximum Load Requirements.
- The *Lake Okeechobee Construction Project* that is to be developed in two phases to improve the hydrology and water quality of the Lake and downstream receiving waters.
- The *Lake Okeechobee Watershed Phosphorus Control Program* that is designed to be a multi-faceted approach to reducing phosphorous loads by improving the management of phosphorous sources within the watershed.

Within the Lake Okeechobee watershed, four priority basins have been established (S-154, S-191, S-65D, and S-65E). The DACS, the Department of Environmental Protection and the South Florida Water Management District have developed a memorandum of understanding to address nonagricultural and agriculture nonpoint sources of pollution. Agricultural Nutrient Management Assessments have been completed for all the active dairies in the priority basins (over 31,000 acres). Assessments have also been completed for over 14,000 acres of land in buyout dairies, and more than 40,578 acres of cow/calf operations are in the advanced stages of conservation planning. The Agricultural Nutrient Management Assessments identify specific actions that can be taken to control and reduce phosphorus loads.<sup>1</sup>

### III. Effect of Proposed Changes:

This bill creates section 373.45951, Florida Statutes, to be titled "Lake Okeechobee Watershed Phosphorus Control". The state is directed to expeditiously develop and implement comprehensive nutrient management plans for dairies and other agricultural operations that contribute to phosphorus loading in the Lake Okeechobee Watershed.

The bill expresses the Legislature's intent that dairies receive priority attention for funding for projects to reduce phosphorus loads. The bill also expresses the Legislature's intent to create a continuous source of funding for projects that reduce phosphorus loads.

The bill authorizes the DACS to provide grants and loans for projects reducing phosphorus loads through improved management of agricultural phosphorus sources in the watershed. Grants may provide up to 75 percent of total projects costs, and loans can provide the remaining 25 percent of costs. Projects must be ranked on their potential for reducing phosphorus loading based on a comprehensive nutrient management assessment that determines water quality for each project

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<sup>1</sup> *Lake Okeechobee Protection Program, Annual Report to the Legislature* (Jan. 1, 2003), South Florida Water Management District, Florida Department of Environmental Protection, Florida Department of Agriculture & Consumer Services

site. Ranked projects must be funded in priority order. Highest priority is given to projects that have the highest phosphorus load with the greatest potential for reduction. To the greatest extent possible, federal funding must be maximized. DACS is authorized to adopt rules to implement the grants and loans program.

The bill provides that annual progress reports on the implementation of phosphorus control in the Lake Okeechobee Watershed through the grants and loan program must be submitted to the Governor and the presiding officers of each House of the Legislature. The report must include the prioritized funding list, and a list of which funded projects have been completed and which projects are not yet finished, together with the costs for each. The bill provides that this report can be included in the annual report on the Lake Okeechobee Protection Program.

If enacted, this bill takes effect on July 1, 2003.

#### **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:

The funding provided in this bill could have a significant positive impact on the private sector (mostly dairy farms) due to the grants and loans program created in the bill. DACS can award grants to eligible property owners for up to 75 percent of project costs, and loans may be granted for the remaining costs. The grants and loans program could result in significant savings for property owners who otherwise may pay full project costs.

C. Government Sector Impact:

Some fiscal impact on the DACS is expected if the grants and loans program does an appropriation and the agency can award grants or loans.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Amendments:**

None.

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

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