

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.)

Prepared By: Environmental Preservation Committee

BILL: CS/SB 332

SPONSOR: Committee on Environmental Preservation and Senator Dockery

SUBJECT: Water Protection and Sustainability Program Trust Fund

DATE: April 8, 2005

REVISED: 4/12/05

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Baum</u>	<u>Kiger</u>	<u>EP</u>	<u>Fav/CS</u>
2.	<u></u>	<u></u>	<u>GO</u>	<u></u>
3.	<u></u>	<u></u>	<u>RC</u>	<u></u>
4.	<u></u>	<u></u>	<u></u>	<u></u>
5.	<u></u>	<u></u>	<u></u>	<u></u>
6.	<u></u>	<u></u>	<u></u>	<u></u>

I. Summary:

This bill creates the Water Protection and Sustainability Trust Fund within the Department of Environmental Protection (DEP). The trust fund provides for sources of funds, an annual carryforward of those funds, and future legislative review and termination or re-creation of the trust fund.

This bill creates section 403.891, F.S.

II. Present Situation:

CS/SB 444, currently under consideration by the Legislature, creates s. 403.890, F.S., to create the Water Protection and Sustainability Funding Program. Provisions created direct how the \$500 million in annual revenue is to be distributed.

45 percent (\$225 million) for the implementation of an alternative water supply grant program. These proceeds shall be distributed to the water management districts in the following manner:

- 40 percent (\$90 million) to South Florida
- 25 percent (\$62.5 million) to Southwest Florida
- 25 percent (\$62.5 million) to St. Johns
- 5 percent (\$11.25 million) to Suwannee River
- 5 percent (\$11.25 million) to Northwest Florida

The funds provided by the state under this program shall have a 50 percent match requirement. The match may be provided by any combination of water management district funds and/or local sources.

25 percent (\$125 million) to the Department of Environmental Protection (85 percent, \$106.25 million) and the Department of Agriculture (15 percent, \$18.75 million) for the implementation of best management practices and capital costs for the implementation of the total maximum daily loads program (TMDL's).

15 percent (\$75 million) for the implementation of surface water improvement and management programs (SWIM) and surface water restoration activities in water management district designated priority water bodies. The SWIM program was created by the Legislature in 1987. A dedicated funding source has never been established and projects have been funded on an individual basis. Existing SWIM and priority waterbodies include Lake Okeechobee, Tampa Bay, Lake Apopka, Indian River Lagoon, the St. Johns River, Charlotte Harbor, Pensacola Bay, and Apalachicola Bay. These funds shall be distributed to the water management districts in the following manner and shall also require a 50 percent match of cash or in-kind services from district or local source:

- 35 percent (\$26.25 million) to South Florida
- 25 percent (\$18.75 million) to Southwest Florida
- 25 percent (\$18.75 million) to St. Johns
- 7.5 percent (\$5.625 million) to Suwannee River
- 7.5 percent (\$5.625 million) to Northwest Florida

15 percent (\$75 million) to the Department of Environmental Protection to augment current funding for the stormwater, drinking water, and wastewater loans and grants programs. Currently these programs receive \$30 million in state funds plus \$120 million in federal match. These new funds shall be distributed evenly (\$25 million) among the three programs. For the Clean Water State Revolving Loan Grants Program and the Drinking Water State Revolving Loan Grant Program the additional money will be matched on a 5 to 1 basis by federal funds. The final program to receive the funds is the state sponsored Disadvantaged Small Community Wastewater Grant Program.

The bill requires that prior to the end of the 2008 Regular Session, the Legislature shall review the distribution of funds described above.

CS/SB 444 also amends section 201.15, F.S., to provide for the use of documentary (doc) stamp taxes to pay the costs associated with issuance of water and sustainability bonds. In addition, an existing provision, s. 201.15(8), F.S., is deleted. This provision provided that one-half of one percent of doc stamp revenues is dedicated to the implementation of the total maximum daily load program (TMDL). This deletion is done because the program created by the bill would provide a new funding source for TMDL efforts.

Section 215.6197, F.S., is created to provide for the issuance of water protection and sustainability bonds. Specific authorization is granted to provide for the issuance of up to \$500 million in bonds annually for a period of 10 years. There is also a provision created that directs the legislature to maximize the use of non-recurring revenues prior to issuing any bonds.

Finally, the committee substitute provides a legislative finding that the issuances of bonds for this program are in the public interest. This provision is needed should the state elect to exceed the six percent bond cap.

III. Effect of Proposed Changes:

This bill creates section 403.891, F.S., known as “Water Protection and Sustainability Trust Fund”. Provisions will:

- Create the Water Protection and Sustainability Trust Fund within DEP.

The trust fund being established will receive proceeds from the bonds issued to fund the Water Protection and Sustainability Program, pursuant s. 215.6197, F.S.

- Provide that, notwithstanding s. 216.301, F.S., and pursuant to s. 216.351, F.S., any balance in the trust fund at the end of any fiscal year shall remain in the trust fund at the end of the year and shall be available for carrying out the purposes of the trust fund.
- Provide that, pursuant to s. 19 (f)(2), Art. III of the State Constitution, the trust fund shall be terminated on July 1, 2009, unless terminated sooner.

Prior to the scheduled termination of the trust fund, it shall be reviewed as provided in s. 215.3206 (1) and (2), F.S.

This act shall take effect on July 1, 2005, if Senate Bill 444 or similar legislation is adopted in the same legislative session or an extension thereof and becomes law.

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:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

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

VIII. Summary of Amendments:

None.

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