

**HOUSE OF REPRESENTATIVES STAFF ANALYSIS**

**BILL #:** CS/HB 307 Water Protection and Sustainability Program

**SPONSOR(S):** Agriculture and Natural Resources Policy Committee, Boyd

**TIED BILLS:** **IDEN./SIM. BILLS:**

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	<b>REFERENCE</b>	<b>ACTION</b>	<b>ANALYST</b>	<b>STAFF DIRECTOR</b>
1)	<u>Agriculture &amp; Natural Resources Policy Committee</u>	<u>13 Y, 0 N, As CS</u>	<u>Kliner</u>	<u>Reese</u>
2)	<u>Natural Resources Appropriations Committee</u>	<u>12 Y, 0 N</u>	<u>Smith Brown</u>	<u>Dixon</u>
3)	<u>General Government Policy Council</u>	<u></u>	<u></u>	<u></u>
4)	<u></u>	<u></u>	<u></u>	<u></u>
5)	<u></u>	<u></u>	<u></u>	<u></u>

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**SUMMARY ANALYSIS**

The bill amends paragraph (c) of s. 373.1961(3), F.S., providing flexibility to the Northwest Florida and the Suwannee River Water Management Districts in using funds from the Water Protection and Sustainability Trust Fund (WPSTF).

The bill authorizes the Northwest Florida and Suwannee River Water Management Districts to use any funds deposited by the state into the WPSTF to be used for regional water supply planning, water resource development, and water resource projects. Current law requires all such funds be used to assist in funding project construction costs of alternative water supply projects. Current law allows districts that have not completed a water supply plan, or that have not identified the need for any alternative water supply projects, to use these funds for water resource development projects.

Beginning in fiscal year 2009-2010, ch. 2009-68, L.O.F., eliminated documentary stamp tax distributions into this fund. Therefore, no revenues flow into this trust fund at this time. If and when funds are provided by the Legislature to the WPSTF, the bill will allow greater flexibility in the use of said funds by the Northwest Florida and Suwannee River Water Management Districts.

The bill is effective July 1, 2010.

## HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### Current Situation

The Florida Department of Environmental Protection (DEP) manages the quality and quantity of water in the state through its relationship with the state's five water management districts (collectively referred to as "the districts"), which are tasked with the preservation and management of Florida's water resources. The districts include the Northwest Florida Water Management District, Suwannee River Water Management District, St. Johns River Water Management District, South Florida Water Management District and Southwest Florida Water Management District.

Chapter 373, F.S., charges the districts with managing regional water supplies, water quality, flood protection, and the protection of natural systems. The Legislature has directed the districts to engage in plan development and implementation, regulation, land acquisition, financial and technical assistance, water resource restoration, water resource development, and other activities to achieve the statutory water management objectives.

In 1998, the water management districts prepared water supply assessments to determine the existing and future water needs and evaluate the adequacy of existing and potential sources to meet the reasonable-beneficial needs for the next 20 years. For those areas where the sources were determined not to be adequate to meet the future needs, the districts were required to prepare regional water supply plans. The Suwannee River Water Management District's (SRWMD) water supply assessment concluded that supplies were adequate to meet the 2020 needs. Periodically, the SRWMD re-evaluates their needs and supplies. The Northwest Florida, St. Johns River, South Florida and Southwest Florida Water Management Districts determined that sources were not adequate to meet all these future needs while sustaining the natural resources. By August 2001, these four districts completed regional water supply plans. Each year the districts are required to prepare a Five-Year

Water Resource Development Work Program that describes implementation strategies for the water resource development component of regional water supply plans.<sup>1</sup>

Beginning in fiscal year 2005-2006, the state annually provides a portion of those revenues deposited into the Water Protection and Sustainability Program Trust Fund (WPSPTF) for the purpose of providing funding assistance for the development of alternative water supplies pursuant to the Water Protection and Sustainability Program.<sup>2</sup> The DEP distributes these revenues into the alternative water supply trust fund accounts created by each district for the purpose of alternative water supply development under the following funding formula:

- Thirty percent to the South Florida Water Management District;
- Twenty-five percent to the Southwest Florida Water Management District;
- Twenty-five percent to the St. Johns River Water Management District;
- Ten percent to the Suwannee River Water Management District; and
- Ten percent to the Northwest Florida Water Management District.

The statewide funds provided pursuant to the Water Protection and Sustainability Program serve to supplement existing water management district funding for alternative water supply development assistance. The districts are required to include the amount of funds allocated for water resource development that supports alternative water supply development and the funds allocated for alternative water supply projects selected for inclusion in the Water Protection and Sustainability Program in their annual tentative and adopted budget submittals. The goal of each district is to match the state funding provided to the district for alternative water supply development. Only the Suwannee River and the Northwest Florida Water Management Districts are not required to meet the match requirements, but they are encouraged to try to achieve the match requirement to the greatest extent practicable.

Section 373.196, F.S., relating to alternative water supply development, mandates cooperative efforts between municipalities, counties, special districts, water management districts, and the DEP, in the development of water supplies and to provide for alternative water supply development.

In regards to funding for alternative water resource projects, subsection (3) of s. 373.1961, F.S., provides that the districts and the state share a percentage of revenues with water providers and users, to be used to supplement other funding sources in the development of alternative water supplies. Public and private water users include local governments, water, wastewater, reuse utilities, municipal, special district, industrial and agricultural water users.

Pursuant to this section, if a district has not completed any regional water supply plan, or the regional water supply plan does not identify the need for any alternative water supply projects, funds deposited in that district's trust fund may be used for water resource development projects, including, but not limited to, springs protection. Presently, the Suwannee River Water Management District is the only district to not complete a regional water supply plan, however, the goal is to have one completed this year. As the lesser funded of the five districts, both the Northwest Florida and the Suwannee River

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<sup>1</sup> Source: <http://www.dep.state.fl.us/WATER/waterpolicy/rwsp.htm>, last reviewed February 8, 2010.

<sup>2</sup> During the 2009 Legislative Session, SB 1750 eliminated documentary stamp tax distribution into this fund. Currently, no revenues are flowing into the trust fund. The Water Protection and Sustainability Program (s. 403.890, F.S.) was established in 2005 to support water-related programs such as Total Maximum Daily Loads, Surface Water Improvement Management and Disadvantaged Small Community Wastewater Grants. When available, the program also includes funding for alternative water supply development projects such as desalination, reuse and reservoirs.

Water Management Districts desire more flexibility in the use of funds from the WPSPTF, if and when funding is restored.

### Effect of Proposed Change

The bill amends paragraph (c) of s. 373.1961(3), F.S., providing funds deposited in the Water Protection and Sustainability Program Trust Fund to the credit of the Northwest Florida Water Management District and the Suwannee River Water Management District may also be used for regional water supply planning, water resource development, and water resource projects, including, but not limited to, springs protection.

#### B. SECTION DIRECTORY:

Section 1. Amends paragraph (c) of s. 373.1961(3), F.S., providing flexibility to the Northwest Florida and the Suwannee River Water Management Districts in using funds from the Water Protection and Sustainability Trust Fund.

Section 2. Provides an effective date of July 1, 2010.

## **II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

#### A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

#### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

See Fiscal Comments.

2. Expenditures:

None.

#### C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

#### D. FISCAL COMMENTS:

Beginning in fiscal year 2009-2010, ch. 2009-68, L.O.F., eliminated documentary stamp tax distributions into this fund. Therefore, no revenues flow into this trust fund at this time. If and when funds are provided by the Legislature to the WPSTF, the bill will allow greater flexibility in the use of said funds by the Northwest Florida and Suwannee River Water Management Districts.

### **III. COMMENTS**

#### **A. CONSTITUTIONAL ISSUES:**

##### **1. Applicability of Municipality/County Mandates Provision:**

The bill does not appear to require municipalities or counties to take action requiring the expenditure of funds, reduce the authority that counties or municipalities have to raise revenue in the aggregate, nor reduce the percentage of a state tax shared with counties or municipalities.

##### **2. Other:**

None.

#### **B. RULE-MAKING AUTHORITY:**

The bill does not provide rulemaking.

#### **C. DRAFTING ISSUES OR OTHER COMMENTS:**

None.

### **IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES**

On February 17, 2010, the Agriculture and Natural Resources Policy Committee adopted one amendment offered by the bill's sponsor. The amendment was technical in nature.