

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Committee on Environment and Natural Resources

BILL: SB 628

INTRODUCER: Senator Albritton

SUBJECT: Water Resources

DATE: March 25, 2019

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Anderson	Rogers	EN	Pre-meeting
2.			IS	
3.			AP	

I. Summary:

SB 628 revises requirements for the Office of Economic and Demographic Research (EDR)'s annual assessment of Florida's water resources and conservation lands. The bill requires the assessment to include:

- Consultation with the Department of Environmental Protection (DEP);
- A quantitative, needs-based evaluation of specific categories including water supply infrastructure, water quality protection and restoration, wastewater infrastructure, stormwater infrastructure, flood control infrastructure, and environmental restoration;
- An evaluation of current expenditures by government entities and public and private utilities associated with the specific categories;
- An analysis and estimate of future expenditures that address future needs by governments and public and private utilities to achieve established goals;
- A comprehensive list of funding options to fulfill any identified gaps between projected revenues and estimated needs; and
- An evaluation of, at minimum, existing revenue sources, potential additional revenue sources, and funding mechanisms used by other states for water infrastructure and environmental restoration.

The bill expands which entities must provide assistance to EDR in completing its assessment to include any state, regional, county, local, or municipal government entity of this state, whether executive, judicial, or legislative; any department, division, bureau, commission, authority, or political subdivision of this state therein; any public school, community college, or state university; or any special district. The bill requires the assessment to be submitted to the Legislature by January 1, 2020, and every January 1 thereafter.

II. Present Situation:

Office of Economic and Demographic Research (EDR)

The Office of Economic and Demographic Research performs research for the Florida Legislature, principally focused on forecasting economic and social trends that affect policy making, revenues, and appropriations.¹ EDR also researches projects for legislative committees, and works with agencies, statewide commissions, and task forces that have legislators among their membership to assess the impact of proposals they are considering submitting to the Legislature.² EDR provides information related to:

- Economics;
- Demographics;
- Revenue;
- Education;
- Criminal Justice;
- Social Services;
- Workforce;
- Early Learning Programs;
- Self-Insurance; and
- The Florida Retirement System.³

EDR Annual Assessment of Florida's Water Resources and Conservation Lands

In 2016, the Legislature created section 403.928, F.S., to require EDR to conduct an annual assessment of Florida's water resources and conservation lands.⁴ Regarding water resources, the assessment must include:

- Historical and current expenditures and projections of future expenditures by federal, state, regional, and local governments and public and private utilities based upon historical trends and ongoing projects or initiatives associated with water supply and demand and water quality protection and restoration;
- An analysis and estimates of future expenditures by federal, state, regional, and local governments and public and private utilities necessary to comply with federal and state laws and regulations. The analysis and estimates must address expenditures necessary to achieve the legislature's intent that sufficient water be available for all existing and future reasonable-beneficial uses and the natural systems, and that adverse effects of competition for water supplies be avoided. The assessment must include a compilation of projected water supply and demand data developed by each water management district (WMD), along with any significant differences between the methods used by the WMDs to calculate the data;
- Forecasts of federal, state, regional, and local government revenues dedicated in current law for the purposes of the water supply demand and water quality protection and restoration, or that have been historically allocated for these purposes, as well as public and private utility revenues; and

¹ EDR, *Welcome*, <http://edr.state.fl.us/Content/> (last visited Mar. 22, 2019).

² EDR, *Functions of EDR*, <http://edr.state.fl.us/Content/about/functions.cfm> (last visited Mar. 22, 2019).

³ Section 216.136, F.S.

⁴ Ch. 2016-1, Laws of Fla.

- An identification of gaps between projected revenues and projected and estimated expenditures.⁵

Regarding conservation lands, the assessment must include:

- Historical and current expenditures and projections of future expenditures by federal, state, regional, and local governments based upon historical trends and ongoing projects or initiatives associated with real property interests eligible for funding under the Florida Forever Act;
- An analysis and estimates of future expenditures by federal, state, regional, and local governments necessary to purchase lands identified in plans set forth by state agencies or water management districts;
- An analysis of the ad valorem tax impacts, by county, resulting from public ownership of conservation lands;
- Forecasts of federal, state, regional, and local government revenues dedicated in current law to maintain conservation lands and the gap between projected expenditures and revenues;
- The total percentage of Florida real property that is publicly owned for conservation purposes; and
- A comparison of the cost of acquiring and maintaining conservation lands under fee simple or less than fee simple ownership.⁶

The assessment must also include:

- Analyses on a statewide, regional, or geographic basis, as appropriate;
- Any analytical challenges in assessing information across different regions; and
- Any overlap in expenditures for water resources and conservation lands.⁷

Various agencies and local governmental entities are directed to aid EDR with their respective areas of expertise and provide EDR access to any information, confidential or otherwise, the EDR considers necessary.⁸ The assessment must be submitted to the Legislature by January 1, 2017, and by January 1 each year thereafter.⁹

2019 Assessment

EDR has completed three annual assessments of Florida's water resources and conservation lands since the statutory requirement for an assessment was enacted. The most recent assessment was published in January 2019.¹⁰ EDR qualifies its assessment with the following statement:

Due to the magnitude of the assessment and the fundamental intent of EDR to produce accurate and methodologically sound results, the 2019 Edition of this report is still an intermediate step to full compliance with section 403.928, Florida

⁵ Section 403.928(1), F.S.

⁶ Section 403.928(2), F.S.

⁷ Section 403.928(3), (4), F.S.

⁸ Section 403.928(5), (6), F.S.

⁹ Section 403.928(7), F.S.

¹⁰ EDR, *Annual Assessment of Florida's Water Resources and Conservation Lands* (2019), available at http://edr.state.fl.us/Content/natural-resources/LandandWaterAnnualAssessment_2019Edition.pdf (last visited Mar. 22, 2019).

Statutes. However, this edition makes substantial progress over the previous edition and may allow some components of the timeline to be advanced.¹¹

In its 2019 assessment, EDR projects water demand and supply through 2035.¹² EDR makes various assumptions in its estimates and does not account for certain factors like potential new water conservation activities or the costs associated with maintaining existing water infrastructure or protecting natural systems. EDR explains that the water supply planning process may change significantly in the future as the methodologies of both EDR and the water management districts are refined.¹³

EDR has begun the process of evaluating the data and methodology used to forecast expenditures that are necessary to comply with federal and state laws and regulations governing water quality.¹⁴ EDR indicates that subsequent editions of its assessment will further analyze the future expenditures necessary to comply with laws governing water supply and water quality, as well as achieve the Legislature's intent that sufficient water be available for all existing and future reasonable-beneficial uses and natural systems, while avoiding the adverse effects of competition for water supplies. EDR is currently working to improve the integrated water supply and demand model necessary to address its analysis.¹⁵

III. Effect of Proposed Changes:

The bill includes a series of whereas clauses that provide legislative findings that water is an essential and beneficial resource and that a water and lands assessment that is based on needs is vital to successfully plan for Florida's current and future population growth and infrastructure needs.

The bill requires the Office of Economic and Demographic Research (EDR) to consult with the Department of Environmental Protection (DEP) for its annual assessment of Florida's water resources and conservation lands.

The bill provides a statement of legislative intent that:

- EDR interpret the statute requiring the assessment, to the maximum extent practicable, in a manner that provides the Legislature with the most comprehensive annual assessment of Florida's water infrastructure funding needs, including, but not limited to, residential, commercial, environmental, agricultural, and industrial needs; and
- EDR coordinate, to the greatest extent possible, with DEP to produce the annual assessment.

The bill revises requirements for the assessment to include a quantitative, needs-based evaluation of the following:

- Water supply infrastructure, including, but not limited to, water supply development projects, water resource development projects, and water conservation;

¹¹ *Id.* at 1.

¹² *Id.* at 55.

¹³ *Id.* at 2.

¹⁴ *Id.*

¹⁵ *Id.* at 3.

- Water quality protection and restoration, including, but not limited to, septic system conversion, basin management action plans, and surface water improvement and management plans;
- Wastewater infrastructure, including septic systems;
- Stormwater infrastructure;
- Flood control infrastructure; and
- Environmental restoration.

The bill requires an evaluation of current expenditures by federal, state, regional, and local governments and public and private utilities, which are associated with the categories listed above. The analysis and estimate of future expenditures must address future needs by state, regional, and local governments and all public and private utilities necessary to achieve constitutional requirements and legislative intent that sufficient water be available for all existing and future reasonable-beneficial uses and natural systems, while avoiding the adverse effects of competition for water supplies.

The bill requires a comprehensive list of funding options to fulfill any identified gaps between projected revenues and estimated needs and requires EDR to evaluate, at a minimum, existing revenue sources, potential additional revenue sources, and funding mechanisms used by other states for water infrastructure and environmental restoration.

The bill expands the entities which must provide assistance to EDR in completing its assessment to include any state, regional, county, local, or municipal government entity of this state, whether executive, judicial, or legislative; any department, division, bureau, commission, authority, or political subdivision of this state therein; any public school, community college, or state university; or any special district.

The bill requires the assessment to be submitted to the Legislature by January 1, 2020, and every January 1 thereafter.

The bill takes effect on July 1, 2019.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 403.928 of the Florida Statutes.

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.