

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 603 Land Acquisition Trust Fund

SPONSOR(S): Bell

TIED BILLS: IDEN./SIM. BILLS: SB 1400

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Agriculture & Natural Resources Appropriations Subcommittee	13 Y, 1 N	White	Pigott
2) Environment, Agriculture & Flooding Subcommittee			
3) Appropriations Committee			

SUMMARY ANALYSIS

In 2017, the Legislature passed the Heartland Headwaters Protection and Sustainability Act. The act provided that there is an important state interest in partnering with Regional Water Supply Authorities and local governments to protect the water resources of the headwaters of the Alafia, Hillsborough, Kissimmee, Ocklawaha, Peace, and Withlacoochee Rivers and the surrounding areas. The act also declared that priority funding consideration must be given to solutions to manage the water resources of these headwaters and the local Floridan Aquifer system in the most efficient, cost effective, and environmentally beneficial way. Currently, there is no dedicated funding source to implement the act.

The bill appropriates \$20 million annually from the Land Acquisition Trust Fund to implement the Heartland Headwaters Protection and Sustainability Act.

The bill may have a positive fiscal impact on local governments.

The bill provides an effective date of July 1, 2022.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Background

Heartland Headwaters Protection and Sustainability Act

In 2017, the Legislature created the Heartland Headwaters Protection and Sustainability Act.¹ The act detailed legislative findings and intent as follows:

- The Legislature recognizes that by law in 1979, portions of Lake and Polk Counties were designated as the Green Swamp Area of Critical State Concern in acknowledgment of its regional and statewide importance in maintaining the quality and quantity of Florida's water supply and water resources for the public and the environment.
- The Legislature recognizes the Green Swamp encompasses approximately 560,000 acres, is located in a regionally significant high recharge area of the Floridan Aquifer system, and helps protect coastal communities from saltwater intrusion.
- The Legislature finds that the headwaters or portions thereof of six major river systems in the state, which are the Alafia, Hillsborough, Kissimmee, Ocklawaha, Peace, and Withlacoochee Rivers, are located in the Green Swamp or Polk County. In addition, due to the area's unique topography and geology which receives no other water inputs other than rainfall, the area is essential in maintaining the potentiometric head of the Floridan Aquifer system that directly influences the aquifer's productivity for water supply.
- The Legislature also finds that the Green Swamp and the surrounding areas are economically, environmentally, and socially defined by some of the most important and vulnerable water resources in the state.
- The Legislature recognizes that the Central Florida Water Initiative Guiding Document dated January 30, 2015, and the Southern Water Use Caution Area Recovery Strategy dated March 2006 recognized the fact that the surface water and groundwater resources in the heartland counties of Hardee, Highlands, and Polk are integral to the health, public safety, and economic future of those regions.
- The Legislature declares that there is an important state interest in partnering with Regional Water Supply Authorities and local governments to protect the water resources of the headwaters of the Alafia, Hillsborough, Kissimmee, Ocklawaha, Peace, and Withlacoochee Rivers and the surrounding areas. The Legislature further declares that priority funding consideration must be given to solutions to manage the water resources of these headwaters and the local Floridan Aquifer system in the most efficient, cost effective, and environmentally beneficial way.

The act also required the Polk Regional Water Cooperative to submit a heartland headwaters annual report, and to coordinate with the appropriate water management district (WMD) to ensure that the report is included in the consolidated WMD annual report.

Heartland Regional Water Supply Planning Region

The Heartland regional water supply planning region covers approximately 2,569 square miles and includes Hardee County and those portions of Highlands and Polk Counties within the Southwest Florida WMD.² The remaining portions of Polk and Highlands Counties are within the South Florida WMD and are in separate water supply planning regions, the Upper Kissimmee and Lower Kissimmee, respectively.

Central Florida Water Initiative

The Central Florida Water Initiative (CFWI) is a collaborative water supply planning effort among the state's three largest water management districts, the Florida Department of Environmental Protection

¹ Chapter 2017-111, Laws of Florida.

² Southwest Florida WMD, *RWSP Heartland Planning Region*, <https://www.swfwmd.state.fl.us/resources/plans-reports/rwsp/rwsp-heartland-planning-region> (last visited on February 10, 2022).

(DEP), the Florida Department of Agriculture and Consumer Services (DACS) and water utilities, environmental groups, business organizations, agricultural communities and other stakeholders.

The CFWI Planning Area covers five counties, including Orange, Osceola, Polk, Seminole and southern Lake. The boundaries of the St. Johns River, South Florida, and Southwest Florida WMDs meet in the area.

The guiding principles for the Central Florida Water Initiative process were initially designed to ensure that there is adequate water supply by:

- Identifying the sustainable quantities of traditional groundwater sources available for water supplies that can be used without causing unacceptable harm to the water resources and associated natural systems.
- Developing strategies to meet water demands that are in excess of the sustainable yield of existing traditional groundwater sources.
- Establishing consistent rules and regulations for the three water management districts that meet their collective goals, and implement the results of the Central Florida Water Initiative.³

Polk Regional Water Cooperative

In 2016, Polk County and its fifteen municipal governments, working together to address future water supply needs, agreed to form the Polk Regional Water Cooperative (PWRC) to lead planning for their collective future water supply needs. PWRC's role is to proactively identify alternative water sources and projects that will protect and sustain the future regional water supply.

Land Acquisition Trust Fund

The Land Acquisition Trust Fund (LATF) is established by section 28, Article X of the State Constitution and is administered by DEP. Funds in the LATF may be expended for the following purposes:

- To finance or refinance the acquisition and improvement of land, water areas, and related property interests, including conservation easements, and resources for conservation lands, including wetlands, forests, and fish and wildlife habitat;
- Wildlife management areas;
- Lands that protect water resources and drinking water sources, including lands protecting the water quality and quantity of rivers, lakes, streams, springsheds, and lands providing recharge for groundwater and aquifer systems;
- Lands in the Everglades Agricultural Area and the Everglades Protection Area,
- Beaches and shores;
- Outdoor recreation lands, including recreational trails, parks, and urban open space;
- Rural landscapes;
- Working farms and ranches;
- Historic or geologic sites;
- Together with management, restoration of natural systems, and the enhancement of public access or recreational enjoyment of conservation lands.

Chapter 201, Florida Statutes, requires two types of documentary stamp taxes to be collected: an excise tax of 70 cents per \$100 on deeds and other documents related to real property, and an excise tax of 35 cents per \$100 on certificates of indebtedness, promissory notes, wage assignments, and retail charge agreements. Section 28, Article X of the State Constitution requires 33% of the excise tax on documents to be deposited into the Land Acquisition Trust Fund.

Section 375.041, Florida Statutes, prescribes that the funds must be allocated in the following order and amounts:

- First, to pay debt service for Florida Forever bonds and Everglades restoration bonds.
- Of the funds remaining after the debt service payments, but before funds may be used for other purposes:

³ Central Florida Water Initiative, *What is CFWI*, https://cfwiwater.com/what_is_CFWI.html (last visited on February 10, 2022).

- A minimum of the lesser of 25 percent or \$200 million annually for Everglades projects.
- A minimum of the lesser of 7.6 percent or \$50 million annually for springs restoration, protection, and management projects.
- The sum of \$5 million annually through the 2025-26 fiscal year to the St. Johns River Water Management District for projects dedicated to the restoration of Lake Apopka.
- The sum of \$64 million annually to the Everglades Trust Fund for the Everglades Agricultural Area reservoir project.
- The sum of \$50 million annually to the South Florida Water Management District for the Lake Okeechobee Watershed Restoration Project.
- Any remaining moneys are authorized for the purposes set forth in s. 28, Art. X of the State Constitution.

Effect of the Bill

After the debt service payment on bonds, the bill appropriates \$20 million annually from the LATF to DEP to implement the Heartland Headwaters Protection and Sustainability Act. The funds must be used to enter into financial assistance agreements and distributed in accordance with the projects identified in the Heartland Headwaters Annual Report to finance the cost of designing or constructing projects that protect, restore, or enhance the headwaters of the river systems located in the Heartland Region of Central Florida.

B. SECTION DIRECTORY:

Section 1. Provides legislative findings.

Section 2. Amends s. 375.041, F.S., related to the Land Acquisition Trust Fund.

Section 3. Provides an effective date of July 1, 2022.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

The bill requires \$20 million to be appropriated annually from the Land Acquisition Trust Fund to DEP to implement the Heartland Headwaters Protection and Sustainability Act.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

There may be a positive fiscal impact on local governments located in Central Florida from receiving funds from DEP.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to require counties or municipalities to spend funds or take action requiring the expenditure of funds; reduce the authority that counties or municipalities have to raise revenues in the aggregate; or reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

None.