

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** PCB SCWP 11-01 Fiscal Management of Water Management Districts

**SPONSOR(S):** Select Committee on Water Policy

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

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Select Committee on Water Policy		Maurer	Camechis

### SUMMARY ANALYSIS

Currently, Florida's five water management districts (WMDs) are authorized to purchase and hold title to lands for various purposes, including water management and conservation purposes. With the exception of certain lands within counties with small populations, WMD lands are generally not subject to ad valorem taxation by counties or other local government entities. WMDs may sell their lands pursuant to a surplusing process provided in statute, but are not required to sell lands that are no longer needed for water management or conservation purposes. This bill requires each WMD to:

- Determine every five years which lands are not necessary for water management or conservation purposes; and
- Make those lands available for purchase if the lands will be placed on the ad valorem tax roll of the county in which the lands are located. Lands acquired with matching funds from a local government cannot be made available for purchase without the consent of the local government.

Current law also requires WMDs to follow a certain process when adopting annual budgets. Generally speaking, the budget officer of each WMD proposes a tentative annual budget that is presented in public workshop hearings. The Governor may approve or disapprove the tentative annual budget in whole or in part. After adoption of the final annual budget, funds may be transferred within a WMD budget as long as the transfer is approved by the WMD's governing board at a public meeting. This bill will also require approval of the Governor before a transfer is made within a final WMD budget.

The bill may have a positive fiscal impact on state government due to the sale of surplus lands held by the WMDs, and may have a positive fiscal impact on certain local governments if WMD lands are returned to the ad valorem tax roll of the counties in which those lands are located.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### I. Sale of Surplus Conservation Lands

###### Present Situation

Florida's five water management districts (WMDs) are authorized by statute to acquire fee simple title to real property, easements, and other interests by purchase, eminent domain, or otherwise for a variety of purposes, including water management and conservation.<sup>1</sup> With the exception of certain lands located within counties with populations of 150,000 or less, land owned by a WMD that is used for a governmental or public purpose, including conservation land, is generally exempt from ad valorem taxation.<sup>2</sup>

WMDs are authorized to sell their surplus lands pursuant to the "surplusing process" established in s. 373.089, F.S. Specifically, the statute provides that:

- Any lands, or interests or rights in lands, determined by a WMD to be surplus may be sold by the district, at any time, for the highest price obtainable; however, in no case may the selling price be less than the appraised value of the lands, or interests or rights in lands, as determined by a certified appraisal.
- All sales must be for cash or upon terms and security to be approved by the governing board.
- In any county having a population of 75,000 or fewer, or a county having a population of 100,000 or fewer that is contiguous to a county having a population of 75,000 or fewer, in which more than 50 percent of the lands within the county boundary are government-owned lands, lands owned by a WMD that are not essential or necessary to meet conservation purposes may, upon request of a public or private entity, be made available for purchase through the surplusing process in this section. Priority consideration must be given to buyers, public or private, who are willing to return the property to productive use so long as the property can be reentered onto the county ad valorem tax roll. Property acquired with matching funds from a local government may not be made available for purchase without the consent of the local government.
- Before selling any surplus land, or interests or rights in land, a WMD must publish a notice of intention to sell in a newspaper published in the county in which the land, or interests or rights in the land, is situated once each week for 3 successive weeks, and the notice must describe the lands, or interests or rights in lands, to be offered for sale.
- For lands acquired for conservation purposes, a WMD must determine that the lands are no longer needed for conservation purposes and may dispose of them by a two-thirds vote. For all other lands, a WMD must determine that the lands are no longer needed and may dispose of them by majority vote.
- All lands for which title vested in a WMD prior to July 1, 1999, are deemed to have been acquired for conservation purposes.
- For all lands acquired on or after July 1, 1999, a WMD must determine which were acquired for conservation purposes.
- A WMD must first offer title to lands acquired in whole or in part with Florida Forever funds which are determined to be no longer needed for conservation purposes to the Board of Trustees of the Internal Improvement Trust Fund unless the disposition of those lands is for certain purposes. If the Board of Trustees of the Internal Improvement Trust Fund declines to accept title to those lands, the land may be disposed of by the WMD.

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<sup>1</sup> Section 373.139, F.S.

<sup>2</sup> Sections 196.199 and 373. 59 (10), F.S.

## Effect of Proposed Changes

The bill amends s. 373.089, F.S., to require each WMD to review lands owned by the WMD every five years and determine which lands are not necessary for water management or conservation purposes. Lands not necessary for water management or conservation purposes must be made available for purchase, in accordance with the surplusing process in s. 373.089, F.S., if those lands will be placed on the ad valorem tax roll of the county in which the land is located. Lands acquired with matching funds from a local government may not be made available for purchase without the consent of the local government.

## **II. Water Management District Budget Controls**

### Present Situation

Currently, the budget officer of each WMD proposes a tentative annual budget, which is presented in public hearings and workshops,<sup>3</sup> and which the governor may approve or disapprove in whole or in part.<sup>4</sup> The final adopted WMD budget is the operating and fiscal guide for the WMD for the year.<sup>5</sup> After adopting the final budget, the governing board of the WMD is authorized by statute to transfer funds within an annual budget by action of the governing board taken at a public meeting.<sup>6</sup>

### Effect of Proposed Changes

The bill amends s. 373.536, F.S., to require approval of the Executive Office of the Governor before a governing board transfers funds within a final WMD budget.

#### B. SECTION DIRECTORY:

**Section 1** amends s. 373.089, F.S., to require review of all lands owned by a WMD every five years and require certain lands to be made available for sale if lands would be placed on the ad valorem tax roll.

**Section 2** amends s. 373.536, F.S., to condition the transfer of funds within WMD's budgets upon approval by the governor.

**Section 3** provides an effective date of July 1, 2011.

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

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

1. Revenues: This bill will have a positive fiscal impact on WMDs if surplus lands are sold.
2. Expenditures: None.

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

1. Revenues:

If WMDs sell surplus lands, those lands may be returned to the ad valorem tax roll of the county in which the lands are located, resulting in a positive fiscal impact on certain local governments.

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<sup>3</sup> Section 373.536(3), F.S.

<sup>4</sup> Section 373.536(5)(a), F.S.

<sup>5</sup> Section 373.536(4)(a), F.S.

<sup>6</sup> *Id.*

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 affect county or municipal governments.

2. Other: None.

B. RULE-MAKING AUTHORITY: None.

C. DRAFTING ISSUES OR OTHER COMMENTS: None.

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