



AUDITOR GENERAL

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DEPARTMENT OF ENVIRONMENTAL PROTECTION ACQUISITION, DISPOSITION, AND EXCHANGE OF STATE LAND

Operational Audit

SUMMARY

REVIEW OF STATUTORY REQUIREMENTS FOR ACQUISITIONS AND DISPOSITIONS

Finding No. 1: Land acquisition statutes (Chapters 253 and 259, Florida Statutes) need clarification and additional requirements to improve the administration of the land acquisition programs of the Department.

Finding No. 2: In some instances, statutes pertaining to the disposition of State-owned lands need clarification and an additional requirement for appraisal reviews relative to dispositions of State-owned lands.

Finding No. 3: The Board of Trustees Rules (Florida Administrative Code) pertaining to the acquisition of lands need to be revised to include conservation lands, address appraisal reviews, and incorporate the supplemental appraisal standards by reference.

Finding No. 4: The Board of Trustees rules (Florida Administrative Code) pertaining to the disposition of State-owned lands need to be revised to address wetlands, when applicable; eliminate acreage considerations when determining whether to competitively bid a parcel being disposed of; provide for appraisal and appraisal review requirements and for appraisal and appraisal review selection procedures for land dispositions; and include reference to the Acquisition and Restoration Council.

REVIEW OF SPECIFIC ACQUISITIONS AND DISPOSITIONS

Finding No. 5: Our review of the acquisition of appraisal and appraisal review services disclosed that improvements are needed in appraisal services contract management and compliance with competitive bidding requirements.

Finding No. 6: The Department's policies provide for reviewing appraisal reports for conservation lands valued at or below \$500,000 on a sample basis. However, these reviews are completed, in some instances, years after the acquisitions are completed rather than during the acquisition process.

Finding No. 7: We noted deficiencies, including the use of unapproved appraisal reports, for a land exchange which was approved by the Board of Trustees.

Finding No. 8: Our review revealed missing appraiser affidavits for four land acquisition transactions.

INTRODUCTION

In accordance with Section 253.001, Florida Statutes, all lands held in the name of the Board of Trustees of the Internal Improvement Trust Fund are held in trust for the use and benefit of the people of the State pursuant to Section 7, Article II, and Section 11, Article X of the State Constitution. With few exceptions, the

Department of Environmental Protection (Department) is required to perform all staff duties and functions related to the acquisition, administration, and disposal of State lands, title to which is or will be vested in the Board of Trustees.

The procedures for acquisition, disposition, and exchange of lands by the State of Florida through the Board of Trustees of the Internal Improvement Trust Fund (Board of Trustees) are prescribed in Florida Statutes (i.e., Chapters 253, 259, 260 and 375¹). Acquisition of lands by the State, whether for conservation purposes or otherwise, are generally made by the Board of Trustees utilizing staff of the Department. Similarly, disposition of surplus lands and exchanges of land are facilitated by the Board of Trustees utilizing staff of the Department.

During the audit period (January 1, 2003, through December 31, 2003), the Department acquired over 1,600 parcels totaling approximately \$210 million; sold 28 State-owned land parcels for \$17.9 million; completed 8 exchanges valued at approximately \$2 million; and made 11 donations of State-owned lands totaling approximately 425 acres. Our audit included a review of statutory requirements of the land acquisition and disposition programs of the Department for consistency, adequacy and clarity, and also included a review of 18 land transactions: 12 acquisitions totaling \$127,861,800; 2 sales of State-owned land totaling \$12,157,500; 2 exchanges of State-owned land; and 2 donations of State-owned land.

¹ Because this report includes recommendations for changes in the currently existing law, all references to Florida Statutes and Department Rules are to the 2004 statutes and rules unless otherwise noted.

FINDINGS AND RECOMMENDATIONS

REVIEW OF STATUTORY REQUIREMENTS FOR ACQUISITIONS AND DISPOSITIONS

Finding No. 1: Acquisition of State Lands Statutes

The primary statutes addressing the acquisition of State lands by the Board of Trustees are found in Sections 253.025 and 259.041, Florida Statutes. Section 253.025, Florida Statutes, is titled “Acquisition of state lands for purposes other than preservation, conservation, and recreation.” Lands acquired pursuant to this Section are often referred to as “non-conservation lands.” Section 259.041, Florida Statutes, is titled “Acquisition of State-owned lands for preservation, conservation, and recreation purposes,” and lands acquired pursuant to this Section are often referred to as “conservation lands.”

In connection with our review of the statutes for consistency, adequacy and clarity, we reviewed a copy of the Department’s internal proposal dated October 18, 2004, for changes to the Florida Statutes. We concur with the Department’s proposed consolidation of the statutes pertaining to State lands.

Our review disclosed the following:

- Certain redundancies exist between the appraisal and acquisition requirements of Sections 253.025 and 259.041, Florida Statutes, which relate to non-conservation and conservation lands, respectively. For example, Sections 253.025(1) through (7), Florida Statutes, has, in many instances, identical or nearly identical language as Section 259.041, Florida Statutes, with respect to documentation and confidentiality of offers

and counteroffers. As also included in the Department's recommendation, these two sections should be consolidated into one section in order to streamline the statutes and eliminate redundancies.

- Section 253.025(6)(a), Florida Statutes, states that two appraisals are required if the estimated value of the parcel (for non-conservation lands) exceeds \$1 million. However, Section 259.041(7)(b), Florida Statutes, states that two appraisals are required if the estimated value of the parcel (for conservation lands) exceeds \$500,000. Pursuant to Section 259.041(1), Florida Statutes, which provides the Board of Trustees the authority to substitute other reasonably prudent procedures provided the public's interest is reasonably protected, the Board of Trustees, on June 22, 1999, approved a recommendation by the Department to raise the threshold in Section 259.041(7)(b), Florida Statutes, from \$500,000 to \$1 million, which is consistent with the threshold stated in Section 253.025(6)(a), Florida Statutes. However, this statute has not been revised to recognize this change. This change affected 17 land transactions during the audit period. We concur with the Department's recommendation, and the Board of Trustees approval, to increase the threshold in Section 259.041(7)(b), Florida Statutes, to \$1 million.
- Section 253.025(6)(e), Florida Statutes, pertaining to nonconservation lands, requires that prior to acceptance of an appraisal report, the Division of State Lands (DSL) of the Department shall review such report for compliance with the rules of the Board of Trustees. The review shall include a general

field inspection of the subject property for proposed purchases in excess of \$250,000.

Similarly, Section 259.041(7)(f), Florida Statutes, pertaining to conservation lands, states that DSL may use appraisal reports obtained by a public agency or nonprofit organization as its own provided that the appraisal is reviewed and approved by DSL. The Department's proposed statutory changes eliminate any reference to the reviews, but do require DSL approval of the appraisals. In the absence of a review, the basis for approval of the appraisals is not apparent. While we concur with DSL's desire to streamline and reduce the costs of acquisitions, we believe that the review requirement should be retained in the law.

- Sections 253.025(7)(d) and 259.041(8)(c), Florida Statutes, state that all offers and counteroffers shall be documented in writing and that the agency acquiring the land shall maintain complete and accurate records of all offers and counteroffers for all projects. Four of the twelve acquisitions included in our review lacked adequate negotiation documentation. In these instances, the documentation was a brief summary or chronology of offers and counteroffers stating only the date and price, rather than detailed written offers and counteroffers.

DSL's Bureau of Land Acquisition requirements for multi-party acquisition agreements provide that such agreements must require that a copy of the negotiation file be turned over to DSL after negotiations have terminated. However, one multi-party agreement provided that the third-party handling the negotiation functions would

provide only a summary of all offers and counteroffers.

Sections 253.025(7)(d) and 259.041(8)(c), Florida Statutes, should be revised to clarify that the written offers and counteroffers be provided to DSL. By providing DSL with a copy of the negotiation files, including offers and counteroffers, this evidence would provide additional assurance to DSL that land is being acquired at the lowest possible price.

- Sections 253.025 and 259.041, Florida Statutes, contain provisions that state that DSL may use, as its own, appraisals obtained by a public agency or non-profit organization provided that the appraiser is selected from DSL's list of appraisers, and the appraisals are reviewed and approved by DSL. However, the Board of Trustees Rule 18-1.007(3), Florida Administrative Code, relative to appraiser selection procedures state that when an agency proposing an acquisition has determined that appraisal services are required, the agency shall contact DSL's Bureau of Appraisal and request that such services be obtained.

Furthermore, language in the multi-party agreements used by the Department allowed the third party to select appraisers from DSL's list of approved appraisers. The agreements do not require that the third party acquire these appraisal services through the use of competitive bids. However, Board of Trustees Rule 18-1.007(3), Florida Administrative Code, does require the use of a competitive selection process in the acquisition of appraisal services by DSL. We believe that appraisal services should be acquired by DSL in all instances and that

competitive bid procedures be utilized when appraisal services are needed.

To ensure that the acquisition of appraisal services are competitively bid and obtained in the most efficient and economical manner, the cited statutes should be revised to require that DSL be the acquiring agency for all appraisal services and to require competitive bid procedures be used. This would provide consistency between the statutes and existing requirements contained in the Board of Trustees rules. The Department should also amend the language in the multi-party agreements to reflect this change.

- Section 259.041(9)(a), Florida Statutes, pertaining to the acquisition of conservation lands, requires that a statement that the existing State-owned lands contained no available suitable land in the area be provided to DSL by the acquiring agency within 10 days after the signing of an agreement for purchase. While this statement may be appropriate for the acquisition of non-conservation land, it does not appear to be relevant for acquisitions involving conservation lands. Consideration should be given to deleting this requirement for conservation lands from the statutory language.
- Section 375.031(3)(a), Florida Statutes, which applies to recreational lands, includes a reference to Chapter 253 which addresses non-conservation lands. It appears that the reference should have been to Chapter 259, which relates to recreational lands. Consideration should be given to correcting this citation in the statutory language.

Recommendation: We recommend that the Legislature consider these revisions as a means of clarifying and improving the acquisition of lands procedures of the Department, while maintaining control of the process and safeguarding the State's assets.

Secretary's Response

The Department recognizes that these statutes need to be consolidated to eliminate redundancies and updated to reflect Board of Trustees (BOT) rule changes. Therefore, we have proposed combining sections 253.025(1) through (7) and 259.041, Florida Statutes, to streamline the statutes, create identical procedures and eliminate redundancies. These changes will:

- a. Increase the threshold in 259.041(7)(b) from \$500,000 to \$1 million as stated in 259.041(1) and approved by the BOT. This change will make the required appraisal threshold for acquisition conservation and non-conservation lands the same.
- b. Amend Chapters 253 and 259 Florida Statutes, as well as 18-1.007, Florida Administrative Code, to ensure consistency in the appraisal approval process to maintain flexibility and streamline processes where possible.
- c. Amend 253.025 and 259.041, Florida Statutes, and 18-1.007 so that there is consistency among the agency's use of appraisals obtained by a public agency or non-profit organization. The department desires to maintain flexibility in the use of appraisals prepared by other agencies or non-profit organizations with whom it is partnering. Use of these appraisals foster partnerships and multiplies the Department's acquisition efforts.
- d. Delete the requirement in 259.041(9)(a) for an acquiring agency to provide to DSL a statement that the existing State-owned lands contained no available suitable land in the area within 10 days after the signing of an agreement for purchase. The statement is not relevant for acquisitions involving conservation lands.

The DSL is amending its multi-party acquisition agreements to require that all multi-party negotiation files be turned over to DSL after negotiations have terminated. The agreements are also being amended to require that the third party follow DSL procedures when acquiring appraisals.

To maintain flexibility and streamline processes where possible, the department respectfully does not concur with the recommendation that an appraisal review be required by statute. The requirement that appraisals be approved by the DSL will remain. As directed by the Governor and Cabinet, sitting as the Board of Trustees of the Internal Improvement Trust Fund, in an effort to expedite the acquisition process and reduce costs, appraisal reviews are not conducted on acquisition parcels with values of \$500,000 or less. This policy also enables a stronger emphasis on the higher dollar acquisitions.

Appraisers are competitively bid pursuant to BOT rule 18-1.007, Florida Administrative Code and placed under a multi-year contract. The department respectively disagrees with the recommendations that all appraisers under contract be competitively bid for each appraisal assignment for land acquisitions. To again competitively bid all appraisers for each appraisal assignment under contract is redundant and does not follow the BOT's desire to expedite the acquisition process. Additionally, competitively bidding for appraisers that are not qualified for a particular assignment is not prudent.

The Division of State Lands will explore the idea of placing appraisal services requests on the DEP web site so that all appraisers under contract will have the ability to provide a cost proposal to perform the services sought. If this option is utilized, all appraisers will be provided notice of the website and process to be follows. It will then be up to each appraiser to visit the website and respond to projects of interest.

The Department agrees that the reference in 375.031(3)(a) that applies to recreational lands should be amended to reflect Chapter 259 (recreational) rather than 253 (non-conservation) and will recommend an amendment during the next legislative session.

Auditor Follow-up

The Secretary, in her response to finding Nos. 1 and 2, stated that the Department disagrees with the recommendation that an appraisal review be required by statute and further stated that appraisal reviews should not be required on all appraisals as appraisal reviews are not currently conducted for acquisitions of \$500,000 or less and, in many instances, dispositions involve parcels with relatively low values. The Secretary described the current BOT approved practice of conducting administrative reviews for all acquisitions and a USPAP review for those acquisitions with values in excess of \$500,000. We

concur with such a policy that streamlines the acquisition processes by placing emphasis on high dollar value acquisitions; however, the point of our finding was that the current statutory requirements for reviews be retained to assure that the basis for approval of the appraisals would be apparent in the Department's records. Flexibility as to the type of review, depending on the dollar value of the acquisitions, could be addressed within the statute.

*Also, see **Auditor Follow-up** in finding No. 5.*

Finding No. 2: Disposition of State Lands Statutes

The primary statutes addressing the disposition (often referred to as “surplusing”) of State lands by the Board of Trustees are found in Sections 253.034(6), 253.0341, 253.111, 253.115, 253.42, 253.421, and 259.101(6), Florida Statutes. For purposes of this report the term “disposition of State-owned lands” applies to land sales, donations, and exchanges.

The land disposition transactions that we reviewed included two sales and one exchange, as follows: (1) the sale of four noncontiguous tracts of land totaling 60.8 acres located near the Hillsborough River State Park, known as the Old Fort King property, to Hillsborough County (sales price of \$167,500); (2) the sale of 195.32 acres of surplus State land, known as the Gulf Coast Research and Education Center, to the Manatee County District School Board (sales price of \$11,990,000); and (3) the exchange of State-owned land for a parcel owned by the City of Deland. The Department cited Sections 253.034(6)(h) and 253.111, Florida Statutes (2002), as the authority for these transactions.

Our review of statutes related to the disposition of State-owned lands revealed the following:

- We attempted to verify that the sales prices of these lands sold by the State were established

in accordance with applicable law. At the time these transactions were finalized, the statutes that were in effect and should have been relied upon to determine the price for the property were: (1) Section 253.034(6)(g), Florida Statutes (2002), which provides that the price for lands sold as surplus to any unit of government shall not exceed the price paid by the State or a water management district to originally acquire the lands; (2) Section 253.034(6)(h), Florida Statutes (2002), which states that for land acquired by gift, donation, grant, quitclaim deed, or other such conveyance where no monetary consideration was exchanged, the price of land sold as surplus may be based on one appraisal, unless the appraisal yields a value equal to or greater than \$1 million, in which case a second appraisal is required; and (3) Section 253.111(3), Florida Statutes (2002), which states that the Board of Trustees may not sell any land to which they hold title unless and until they afford an opportunity to the county in which such land is situated to receive such land and, if the county decides to proceed with the sale, the sales price is to be equal to the appraised market value.

Because of the overlapping applicability of these sections of law resulting in varying determinations of price in a given set of circumstances, it is not clear as to which statutes should have determined the purchase price. For example, it was not clear whether the price for the sale of the Old Fort King property should have been set at the price paid by the State to originally acquire the property (pursuant to Section 253.034(6)(g), Florida Statutes (2002)) or at the appraised

value (Section 253.111(3), Florida Statutes (2002)).

Subsequent to these transactions being finalized, Section 253.034(6)(g), Florida Statutes, was revised and now states that the sale price of lands determined to be surplus pursuant to this subsection shall be determined by DSL and shall take into consideration an appraisal of the property and the price paid by the State to originally acquire the lands. This revision eliminates the potential confusion that may have existed at the time these transactions were finalized.

- The Department's proposal for statutory changes provides for the combining of Sections 253.034(6)(g) and (6)(h), Florida Statutes, which relate to determining the sale price of lands determined to be surplus. This change clarifies the process to be used in determining the sales price of lands and we concur with the Department's recommended change.
- The Department's proposal for statutory changes includes eliminating the language in Section 253.034(6)(h), Florida Statutes, which requires that the individual or entity requesting the surplus shall select and use appraisers from the list of approved appraisers maintained by DSL in accordance with Section 253.025(6)(b), Florida Statutes, and recommends new language which states that DSL shall select and use appraisers it has under contract. This change would eliminate the existing requirement that appraisals be acquired pursuant to competitive bidding procedures as prescribed in the Board of Trustees rules. We do not believe the elimination of the requirement to

competitively bid the acquisition of appraisal services is in the best interest of the State.

- The Department's proposal for statutory changes provides for the elimination of Section 253.034(6)(j), Florida Statutes, which specifies that requests for surplusing may be made by any public or private entity or person. Based on this recommendation, it appears that private entities and persons will no longer be allowed to request that State-owned land be declared surplus, or request to purchase State-owned land that has not previously been declared surplus. Local governments, however, would still be permitted to make these requests pursuant to Section 253.0341, Florida Statutes. It is not apparent how the elimination of "any public or private entity or person" from those authorized to request the surplusing of State land would be in the best interest of the State.
- Section 253.111(1), Florida Statutes, requires that the Board of Trustees notify the board of county commissioners by registered mail if they intend to sell any land. The board of county commissioners, pursuant to Section 253.111(2), Florida Statutes, shall within 40 days after receipt of the notification from the Board of Trustees determine by resolution whether it proposes to acquire such land. However, Section 253.111(3), Florida Statutes, states that if the Board of Trustees receives, within 30 days after notice is given to the board of county commissioners pursuant to subsection (1), the certified copy of the resolution provided for in subsection (2), the Board of Trustees shall forthwith convey to the county such land at a price that is equal to its appraised market value. The 40 day deadline to make a decision by resolution to acquire the State-owned land

identified in Section 253.111(2), Florida Statutes, is inconsistent with the 30 day deadline in Section 253.111(3), Florida Statutes, for the Board of Trustees to receive the county’s resolution. These statutes should be amended to resolve this inconsistency.

- Currently, the Department performs an appraisal review of appraisals supporting dispositions of State-owned lands. However, statutes relative to dispositions of State-owned lands do not include any requirement that the Department conduct appraisal reviews. We believe that such reviews should be required by law.

Recommendation: We recommend that the Department review the statutes discussed in this finding with the intent of clarifying the language to remove any potential for confusion. The Legislature should also consider adding a requirement for appraisal review relating to dispositions in law.

Secretary’s Response

The Department proposes combining sections 253.034(6)(g) and (6)(h), thus clarifying the process to be used in determining the sales price of lands.

The Department recognizes the inconsistencies between section 253.111(2), which states that county commissioners have 40 days to respond to a notification that the BOT intends to sell any land in that county, and section 253.111(3), which provides for a 30-day deadline. We will propose that these statutes be amended to resolve the variation.

The Department does not concur with the recommendation that an appraisal review be required by statute, nor should they be required on all appraisals. The DSL will maintain a policy to approve such appraisals. In many cases, disposition of state lands involves parcels with relatively low values. Requiring a technical appraisal review would not be an efficient use of personnel time or the BOT’s financial resources.

Auditor Follow-up

See **Auditor Follow-up** in finding No. 1.

Finding No. 3: Land Acquisition Rules of the Board of Trustees

State land acquisition procedures are found in Board of Trustees Rule 18-1, Florida Administration Code. These rules have not been timely updated to reflect changes made to various land acquisition statutes. Examples noted are as follows:

- This rule has not been updated to include the acquisition procedures for preservation, conservation, and recreation lands as outlined in Section 259.041, Florida Statutes. The rule refers only to acquisitions of State lands for purposes other than preservation, conservation, and recreation (“non-conservation lands”) as outlined in Section 253.025, Florida Statutes.
- Board of Trustees Rule 18-1.006, Florida Administrative Code, addresses appraisal procedures and appraisal report requirements, but it does not mention review appraiser report requirements or when appraisal reviews, technical or administrative, are required. While the Bureau of Appraisal has developed an additional set of procedures titled ‘Supplemental Appraisal Standards for Board of Trustees Land Acquisitions’ that include requirements for appraisers and review appraisers, these supplemental standards have not been incorporated into the rules.
- Based on our review, it appears that the Bureau of Appraisal’s current practices related to the selection process for appraisers and review appraisers are not, in many instances, consistent with the requirements in Board of Trustees Rule 18-1.007(3), Florida Administrative Code. For example, we noted

several instances where the acquisition of appraisal services was not competitively bid, although required to be by the cited rule. Furthermore, while Board of Trustees Rule 18-1.007(3), Florida Administrative Code, requires that all interested and eligible appraisers be sent the request for proposals for individual appraisal assignments, in many instances, the request for proposals were only sent to a few of those eligible and interested appraisers. Further, the rules do not include requirements for the selection of review appraisers. The Department should revise the rules and current practices to ensure that appraisal services are obtained efficiently and at the lowest reasonable cost through a competitive bidding process.

- Board of Trustees Rule 18-1.008(1), Florida Administrative Code (Negotiations), includes a reference to Section 253.023(7)(b), Florida Statutes, which does not exist. Likewise, Board of Trustees Rule 18-1.003(3), Florida Administrative Code, includes a reference to Section 253.023, Florida Statutes, which also does not exist.
- Board of Trustees Rules 18-1.003(3), 18-1.006(9), and 18-1.011(1)(e) and (f), Florida Administrative Code, list land acquisition programs of the Department, but do not include all recent programs. For example, the Preservation 2000 and the Florida Forever Programs are not included in the cited rules. The rules should be updated to include these recent projects.

Recommendation: We recommend that the Board of Trustees rules be revised to include preservation, conservation, and recreation lands pursuant to Section 259.041, Florida Statutes. Also, the Department should revise

Board of Trustees Rules 18-1.006 and 1.007, Florida Administrative Code, to address appraisal reviews and appraiser selection procedures, respectively, and include or incorporate by reference the supplemental appraisal standards in its rules. The Department should also correct the references to nonexistent statutes contained in the current rules and add current land acquisition programs to its rules, where applicable.

Secretary's Response

In accordance with the audit report, the Department will recommend to the BOT that 18-1, Florida Administrative Code, be updated as follows:

- Add language to include acquisition procedures for preservation, conservation, and recreation lands.*
- Incorporate requirements for appraisers and review appraisers as established in the Bureau of Appraisal's procedures manual entitled "Supplemental Appraisal Standards for Board of Trustees Land Acquisitions" into 18-1.006.*
- Revise 18-1.007(3) to reflect current practices to ensure that appraisal services are obtained efficiently and at the lowest reasonable cost.*
- Update 18-1.008(1) and 18-1.003(3) to eliminate references to sections 253.023(7)(b) and 253.023 respectively, which do not exist in the FS.*
- Update 18-1.003(3), 18-1.006(9) and 18-1.011(1)(e) & (f) to include recent programs such as Preservation 2000 and Florida Forever.*

Finding No. 4: Land Disposition Rules of the Board of Trustees

Board of Trustees Rule 18-2 (Management of Uplands Vested in the Board of Trustees), Florida Administrative Code, includes the procedures and requirements for disposing of State lands. These rules appear to be outdated and may not fully reflect the 2004 Florida Statutes, as follows:

- Board of Trustees Rule 18-2, Florida Administrative Code, only applies to upland parcels, and does not include any provisions

for situations where parcels may include some wetlands.

- Board of Trustees Rule 18-2.020(2)(b), Florida Administrative Code, states that parcels 5 acres or less in size or with a market value of \$100,000 or less may be sold by any reasonable means. Consideration should be given to eliminating acreage in the determination of whether to competitively bid a parcel and consider only the dollar value. For example, using the above noted criteria, a 4 acre parcel valued at \$5,000,000 could be sold by any reasonable means rather than through a competitive bidding process. By using the dollar value of the parcel as the sole criteria, the above example would require the use of competitive bidding.
- Currently, the Board of Trustees rules concerning dispositions of State-owned lands do not address the acquisition of appraisal and appraisal review services. Rules need to be developed under Board of Trustees Rule 18-2, Florida Administrative Code, that set out appraisal and appraisal review requirements for land dispositions (sales and exchanges), as well as selection procedures for appraisers and review appraisers.
- Board of Trustees Rule 18-2.021, Florida Administrative Code, refers to the “Land Management Advisory Council,” which has been replaced by the “Acquisition and Restoration Council.” The rule should be updated to be consistent with Section 259.035, Florida Statutes.

Recommendation: We recommend that the Board of Trustees rules for land dispositions be revised to address wetlands, when applicable; eliminate acreage considerations when determining whether to competitively

bid a parcel being disposed of; provide for appraisal and appraisal review requirements and for appraiser and review appraiser selection procedures for land dispositions; and include reference to the Acquisition and Restoration Council.

Secretary’s Response

Based on the Auditor General’s report, we will recommend to the BOT:

- a. *As used in 18-2, Florida Administrative Code, the term “uplands parcels” does include wetlands that are above Mean High Water or Ordinary High Water that are not sovereignty lands. Therefore, the rule does not need to be amended.*
- b. *Consider amending 18-2.020(2)(b) to remove the 5-acre or less stipulation and replace it with a dollar value when determining whether a competitive bid is required.*
- c. *Modify 18-2 to include appraisal and appraisals review requirements for land dispositions as well as selection procedures for appraisers and review appraisers recognizing that the proposed procedures will vary from those for acquisitions; because in most cases, there is a private sector applicant desiring the surplus property, and the applicant incurs the cost of the appraisal services.*
- d. *Replace the reference to “Land Management Advisory Council” with “Acquisition and Restoration Council” in 18-2.021.*
- e. *Amend “uplands” in rule to “lands above mean high water or ordinary high water”.*

REVIEW OF SPECIFIC ACQUISITIONS AND DISPOSITIONS

As part of our review of statutory requirements of the land acquisition and disposition programs of the Department, we included a review of 18 land acquisition and disposition transactions (12 acquisitions and 6 dispositions) to evaluate the implementation of the statutory requirements and to provide a basis for recommending statutory changes as discussed in finding Nos. 1 and 2. Our review of the records related to these 18

transactions is discussed in finding Nos. 5 through 8.

Finding No. 5: Acquisition of Appraisal and Appraisal Review Services

Board of Trustees Rule 18-1.007(3), Florida Administrative Code, addresses the appraiser selection procedures of DSL and require that invitations to submit bids be sent to all interested appraisers on the approved appraiser list maintained by DSL when an appraisal assignment is needed. After the closing date of the requests for bids, the Chief Appraiser submits a summary of proposals to the appraiser selection committee for review and selection of the party who is awarded the contract.

The current practice for selecting appraisers and review appraisers (contracted with by the Department to conduct appraisals or reviews of appraisal reports for compliance with applicable appraisal standards) differs from the procedures described in the existing rules and involves placing a group of appraisers on contract through a bid and selection process involving all of those on the approved appraiser list. When a specific appraisal or review assignment is needed, bid requests are only sent to a small number of those under contract, typically three to five. Department personnel indicated factors included in selecting those that receive the bid requests are the experience, expertise, and past history of the particular appraisers. The appraiser or review appraiser selected, based on responses to these requests, is then issued a task assignment.

The practice of placing a group of appraisers on contract through a bid and selection process involving all appraisers on the approved appraiser list achieves savings as to both time and costs as

compared to the process described in the rule. Board of Trustees Rule 18-1.007(3), Florida Administrative Code, should be revised to conform with this practice. However, the practice of sending bid requests to only a small number of the appraisers under contract may limit the opportunity for interested and eligible appraisers to participate in the process. The Department should revise its rules to assure that all appraisers under contract are notified and provided an opportunity to submit a proposal for appraisal services and assure that practices conform to adopted rules.

Issues identified relative to appraisal and appraisal review services in connection with the acquisition of 18,610 acres (Parcel 1 -13,917 acres and Parcel 2 - 4,693 acres) in Jefferson County from St. Joe Timberland Company (as part of the St. Joe Timberland Florida Forever project) for \$20,600,000 (approved by the Board of Trustees on March 13, 2003) are discussed below:

- Shortly after the selection of the two appraisers for this assignment, but before task assignments were made (i.e., contracts executed), DSL changed the scope of work from appraising the three subject parcels as one parcel to appraising each parcel individually and collectively as a whole. This resulted in the two appraisers increasing their fees upward approximately 50 percent (one appraiser's fee increased from \$9,500 to \$14,500, and the other from \$8,470 to \$12,485). Approximately two weeks after the first task assignment, another change was made to the task assignments, eliminating one of the three parcels from the appraisal assignment. This resulted in one appraiser reducing his fee from \$14,500 to \$13,500, and

the other appraiser reducing his fee from \$12,485 to \$11,485.

Rather than requesting new bid proposals from eligible appraisers for the revised appraisal assignments, DSL accepted the appraisers' revised fees without documented justification.

- The responsibility for obtaining a timber appraisal was given to one of the appraisers chosen to value the subject property. DSL should have retained the responsibility and control of securing the contract for the timber appraisal in order to assure that the assignment was competitively bid for the lowest reasonable cost. There was no documentation in DSL files to indicate that the timber appraisal assignment was properly bid and selected.
- The appraiser chosen to secure and administer the timber appraisal initially provided a verbal bid of \$200. However, his subsequent task assignment indicated a fee of \$1,500, which the Department paid upon completion. Justification for this increase was not adequately documented.
- The request for bid proposal for appraisal review services was sent to only one appraiser, rather than to all eligible and interested appraisers. The selection summary sheet was dated (March 19, 2002) prior to the review appraiser's bid proposal date (April 11, 2002). Thus, it appears the review appraiser was selected prior to the review appraiser submitting his bid for the work.

Recommendation: We recommend that DSL revise its rules relative to the acquisition of appraisal and appraisal review services to conform with its current practices. DSL

should also consider revising its current practice, relative to the sending of bid requests to only a small number of the appraisers under contract, to require that bid proposals be sent to a larger number of appraisers. DSL should also take steps to address the specific deficiencies noted relative to the St. Joe land acquisition.

Secretary's Response

Appraisers are competitively bid pursuant to BOT rule 18-1.007, Florida Administrative Code and placed under a multi-year contract. The department respectfully disagrees with the recommendations that all appraisers under contract be competitively bid for each appraisal assignment for land acquisitions. To again competitively bid all appraisers for each appraisal assignment under contract is redundant and does not follow the BOT's desire to expedite the acquisition process. Additionally, competitively bidding for appraisers that are not qualified for a particular assignment is not prudent.

The Division of State Lands will explore the idea of placing appraisal services requests on the DEP web site so that all appraisers under contract will have the ability to provide a cost proposal to perform the services sought. If this option is utilized, all appraisers will be provided notice of the website and process to be followed. It will then be up to each appraiser to visit the website and respond to projects of interest.

The DSL agrees with the recommendation to competitively bid for appraiser consultant work. The bids will be administered in accordance with the department's procedures. In 2004, the DSL worked with the Department of Agriculture and Consumer Services, Division of Forestry, stakeholders (including appraisers and consultant foresters) and developed procedural and reporting standards for Timber Cruise and Timber Appraisals for state acquisitions. The Timber Cruise and Timber Appraisal Standards will be incorporated by reference into the Supplemental Appraisal Standards.

Auditor Follow-up

The Secretary, in her response to finding Nos. 1 and 5, stated that the Department disagrees with the recommendation that all appraisers under contract be competitively bid for each appraisal assignment for land acquisitions. The Secretary indicated that to again competitively bid all appraisers for each appraisal assignment under contract is redundant and does not follow

the Board of Trustee's desire to expedite the acquisition process. We did not recommend that a competitive bid process be applied for each instance in which an appraisal is required, but rather recommended that the DSL revise its practice relative to the sending of bid requests to only a small number of appraisers under contract when a specific appraisal or review assignment is needed.

The Secretary further stated that competitive bidding for appraisers that are not qualified for a particular assignment is not prudent. We have not suggested consideration of appraisers that are not qualified for a particular assignment. In deciding which contracted appraisers to send bid requests to, DSL should, of course, only consider appraisers who are qualified for the assignment. This could be accomplished by maintaining lists of contracted appraisers by location or category of expertise to provide a documented basis for decisions as to which appraisers to consider for each assignment.

Finding No. 6: Appraisal Reviews

The Department's current policies for reviewing appraisal reports for conservation lands valued at or below \$500,000 provide for both an administrative review for all such acquisitions and a Uniform Standards of Professional Appraisal Practice (USPAP) review on a sample basis (approximately 10 percent of the appraisal reports supporting these acquisitions). The Department's initial application of this review policy was completed in November 2002, and 29 of approximately 240 appraisal reports were chosen for a USPAP review. The next cycle of audit sampling, which would include our audit period of January 2003 through December 2003, had not been completed as of March 31, 2005. Consequently, for acquisitions that occurred during our audit period, no contracted USPAP review appraisals had yet occurred and it will be at least two years after the acquisition was completed before a review is completed for acquisitions that occurred, for example, in January 2003.

While the Bureau's practices can certainly provide a benefit by detecting the need for revised procedures with respect to future appraisals, performing USPAP reviews during the acquisition process should provide information for correcting any problems identified in the appraisal review prior to the negotiation process.

Recommendation: We recommend that the Department revise its procedures for reviewing appraisals of acquisitions of conservation lands valued at or below \$500,000 to require that they be conducted during the acquisition process.

Secretary's Response

In June 1999, the BOT adopted the current policy of reviewing these reports only on a sample basis. An administrative review is conducted on these appraisals during the acquisition process prior to approval. Because this process saves time and allows the Department to concentrate its efforts on higher dollar acquisitions, the Department respectfully does not concur with the finding that reviews take place prior to negotiations.

Auditor Follow-up

The Secretary, in her response to finding No. 6, stated that the Department does not concur that appraisal reviews take place prior to negotiations since the appraisal reports are reviewed on a sample basis and administrative reviews are conducted during the acquisition process prior to approval. While administrative reviews may provide some assurance regarding the valuations that serve as the basis for negotiations, the appraisal review (i.e., USPAP review) would provide greater assurance that any valuation problems could be corrected prior to the negotiation process.

Finding No. 7: Appraisal Reports

The Department exchanged a 1.057 acre State-owned parcel for a 13.41 acre privately-owned parcel (a 3.59 acre parcel valued at \$547,500 and a 9.82 acre parcel valued at \$118,000) referred to as the Grand Bay Plaza exchange. The State-owned parcel was valued at \$483,500 and the privately-owned parcels were valued at a total of \$665,500.

Sections 253.025(6) and (7), Florida Statutes, and Board of Trustees Rule 18-1.008, Florida Administrative Code, require approved appraisals prior to commencing negotiations.

Appraisals were obtained for the 1.057 acre State-owned parcel and a 2.12 acre privately-owned parcel. However, these appraisals were not approved due to deficiencies noted by the review appraiser. The review appraiser determined that the appraisal reports were not adequately supported, cited deficiencies in the highest and best use and valuation analyses, and were not in substantial compliance with USPAP and DSL's Supplemental Appraisal Standards.

Subsequent to the review appraiser's rejection of the appraisal reports of the 1.057 acre parcel and the 2.12 acre parcel, revised appraisal reports were provided to DSL. The revised appraisal of the 2.12 acre parcel had been revised to include a total of 3.59 acres. However, these revised appraisal reports were not subsequently reviewed and approved by the review appraiser nor was the required approval of the Chief of the Bureau of Appraisal obtained. We also noted that some of the deficiencies identified in the original review appraiser reports were still evident in the revised appraisal reports.

The appraisal report for the 9.82 acre parcel valued that parcel at \$118,000; therefore, this parcel did not meet the threshold for requiring a USPAP review according to Department personnel. Although, the policy of the Bureau of Appraisal was to perform an administrative review of all appraisal reports regardless of value, an administrative review was not done on this appraisal report and the required approval of the Chief of the Bureau of Appraisal was not obtained.

Furthermore, based on our review of the Board of Trustees agenda item, it did not appear that these deficiencies were disclosed to the Board of Trustees, which approved the exchange at its meeting on April 8, 2003. By not obtaining the required approved appraisal reports prior to negotiations, it could not be determined if the exchange had been based on accurate land values.

Recommendation: We recommend that the Department obtain approved appraisal reports for all exchanges of State-owned lands.

Secretary's Response

The deficiency noted in the audit report has been reconciled and the DSL now adheres to correct procedures.

Finding No. 8: Appraiser Affidavits

Section 253.025(6)(b), Florida Statutes, states, "Each fee appraiser selected to appraise a particular parcel shall, prior to contracting with the agency, submit to that agency an affidavit substantiating that he or she has no vested or fiduciary interest in such parcel." Section 259.041(7)(c), Florida Statutes, also states, "Each fee appraiser selected to appraise a particular parcel shall, prior to contracting with the agency or a participant in a multiparty agreement, submit to that agency or participant an affidavit substantiating that he or she has no vested or fiduciary interest in such parcel."

Four of the 18 transactions reviewed lacked the required appraiser affidavits. These affidavits are important to ensure appraiser independence and objectivity while performing and reporting appraisal services. A similar finding was noted in report No. 02-158 (finding No. 5).

Recommendation: We recommend that DSL obtain the required appraiser affidavits prior to negotiation of a contract with the appraiser.

Secretary's Response

The DSL agrees with this finding and a procedure has been implemented to verify that appraiser affidavits are obtained for all acquisition appraisals.

SCOPE AND OBJECTIVES

The scope of this audit addressed a sample of closed land acquisitions, dispositions, and exchanges made by the Department of Environmental Protection pursuant to Sections 253, 259, 270, 260, 373, and 375, Florida Statutes, for the period January 1, 2003, through December 31, 2003. The audit also involved a review of applicable Florida Statutes and rules for consistency, clarity, and adequacy relating to each transaction category.

Our objectives were:

- To document our understanding of management controls relevant to land acquisitions, dispositions, and exchanges.
- To evaluate management's performance in administering its assigned responsibilities in accordance with applicable laws, administrative rules and other guidelines.
- To determine the extent to which management controls promoted and encouraged the achievement of management's control objectives in the categories of compliance with controlling laws, administrative rules, and other guidelines; the economic and efficient administration of the State government, the reliability of financial records and reports; and the safeguarding of assets.

- To identify recommended statutory and fiscal changes in the categories of substantive law and policy and budget issues that may be included in the audit report and reported to the Legislature.


METHODOLOGY

The methodology used to develop the findings in this report included the examination of pertinent records of the Department in connection with the application of procedures required by applicable standards contained in Government Auditing Standards issued by the Comptroller General of the United States.

Our audit included examinations of various transactions (as well as events and conditions) occurring during the period January 1, 2003, through December 31, 2003.

AUTHORITY

Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.



William O. Monroe, CPA
Auditor General

AUDITEE RESPONSE

In a letter dated June 6, 2005, the Secretary of the Department of Environmental Protection provided a written response to our preliminary and tentative findings and recommendations. Excerpts from this response are included under applicable findings and recommendations. The response can be viewed in its entirety on the Auditor General's Web site.

This operational audit was made in accordance with applicable *Government Auditing Standards* issued by the Comptroller General of the United States. This audit was conducted by Mark Hesoun. Please address inquiries regarding this report to James M. Dwyer, CPA, Audit Manager, via e-mail at jimdwyer@aud.state.fl.us or by telephone at (850) 487-9031.

This report, and other audit reports prepared by the Auditor General, can be obtained on our Web site at <http://www.state.fl.us/audgen>; by telephone at (850) 487-9024; or by mail at G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450.



Department of Environmental Protection

Marjory Stoneman Douglas Building
3900 Commonwealth Boulevard
Tallahassee, Florida 32399-3000

Colleen M. Castille
Secretary

June 6, 2005

Mr. William O. Monroe, CPA
Auditor General
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. Monroe:

In accordance with Section 11.45(4)(d), Florida Statutes, this memo will constitute the Department of Environmental Protection's (Department) response to the findings contained in the Auditor General's audit report of the Acquisition, Disposition and Exchange of State Lands as performed by the Division of State Lands (DSL). We have responded below to each numbered finding and have addressed each of the specific recommendations.

Finding 1: Land acquisition statutes (Chapters 253 and 259, Florida Statutes) need clarification and additional requirements to improve the administration of the land acquisition programs of the Department.

- 1) **Response:** The Department recognizes that these statutes need to be consolidated to eliminate redundancies and updated to reflect Board of Trustees (BOT) rule changes. Therefore, we have proposed combining sections 253.025(1) through (7) and 259.041, Florida Statutes, to streamline the statutes, create identical procedures and eliminate redundancies. These changes will:
 - a. Increase the threshold in 259.041(7)(b) from \$500,000 to \$1 million as stated in 259.041(1) and approved by the BOT. This change will make the required appraisal threshold for acquisition conservation and non-conservation lands the same.
 - b. Amend Chapters 253 and 259 Florida Statutes, as well as 18-1.007, Florida Administrative Code, to ensure consistency in the appraisal approval process to maintain flexibility and streamline processes where possible.
 - c. Amend 253.025 and 259.041, Florida Statutes, and 18-1.007 so that there is consistency among the agency's use of appraisals obtained by a public agency or non-profit organization. The department desires to maintain flexibility in the use of appraisals prepared by other agencies or non-profit organizations with whom it is partnering. Use of these appraisals foster partnerships and multiplies the Department's acquisition efforts.

"More Protection, Less Process"

Printed on recycled paper.

- d. Delete the requirement in 259.041(9)(a) for an acquiring agency to provide to DSL a statement that the existing State-owned lands contained no available suitable land in the area within 10 days after the signing of an agreement for purchase. The statement is not relevant for acquisitions involving conservation lands.

The DSL is amending its multi-party acquisition agreements to require that all multi-party negotiation files be turned over to DSL after negotiations have terminated. The agreements are also being amended to require that the third party follow DSL procedures when acquiring appraisals.

To maintain flexibility and streamline processes where possible, the department respectfully does not concur with the recommendation that an appraisal review be required by statute. The requirement that appraisals be approved by the DSL will remain. As directed by the Governor and Cabinet, sitting as the Board of Trustees of the Internal Improvement Trust Fund, in an effort to expedite the acquisition process and reduce costs, appraisal reviews are not conducted on acquisition parcels with values of \$500,000 or less. This policy also enables a stronger emphasis on the higher dollar acquisitions.

Appraisers are competitively bid pursuant to BOT rule 18-1.007, Florida Administrative Code and placed under a multi-year contract. The department respectfully disagrees with the recommendations that all appraisers under contract be competitively bid for each appraisal assignment for land acquisitions. To again competitively bid all appraisers under contract is redundant and does not follow the BOT's desire to expedite the acquisition process. Additionally, competitively bidding for appraisers that are not qualified for a particular assignment is not prudent.

The Division of State Lands will explore the idea of placing appraisal services requests on the DEP web site so that all appraisers under contract will have the ability to provide a cost proposal to perform the services sought. If this option is utilized, all appraisers will be provided notice of the website and process to be followed. It will then be up to each appraiser to visit the website and respond to projects of interest.

The Department agrees that the reference in 375.031(3)(a) that applies to recreational lands should be amended to reflect Chapter 259 (recreational) rather than 253 (non-conservation) and will recommend an amendment during the next legislative session.

Finding 2: In some instances, statutes pertaining to the disposition of State-owned lands need clarification and an additional requirement for appraisal reviews relative to dispositions of State-owned lands.

Response: The Department proposes combining sections 253.034(6)(g) and (6)(h), thus clarifying the process to be used in determining the sales price of lands.

The Department recognizes the inconsistencies between section 253.111(2), which states that county commissioners have 40 days to respond to a notification that the BOT intends to sell any land in that county, and section 253.111(3), which provides for a 30-day deadline. We will propose that these statutes be amended to resolve the variation.

The Department does not concur with the recommendation that an appraisal review be required by statute, nor should they be required on all appraisals. The DSL will maintain a policy to approve such appraisals. In many cases, disposition of state lands involves parcels with relatively low values. Requiring a technical appraisal review would not be an efficient use of personnel time or the BOT's financial resources.

Finding 3: The Board of Trustees' Rules (Florida Administrative Code) pertaining to the acquisition of lands need to be revised to include conservation lands, address appraisal reviews, and incorporate the supplemental appraisal standards by reference.

Response: In accordance with the audit report, the Department will recommend to the BOT that 18-1, Florida Administrative Code, be updated as follows:

- a. Add language to include acquisition procedures for preservation, conservation, and recreation lands.
- b. Incorporate requirements for appraisers and review appraisers as established in the Bureau of Appraisal's procedures manual entitled "Supplemental Appraisal Standards for Board of Trustees Land Acquisitions" into 18-1.006.
- c. Revise 18-1.007(3) to reflect current practices to ensure that appraisal services are obtained efficiently and at the lowest reasonable cost.
- d. Update 18-1.008(1) and 18-1.003(3) to eliminate references to sections 253.023(7)(b) and 253.023 respectively, which do not exist in the FS.
- e. Update 18-1.003(3), 18-1.006(9) and 18-1.011(1)(e) & (f) to include recent programs such as Preservation 2000 and Florida Forever.

Finding 4: The Board of Trustees rules (Florida Administrative Code) pertaining to the disposition of State-owned lands need to be revised to address wetlands, when applicable; eliminate acreage wetlands, when applicable, eliminate acreage considerations when determining whether to competitively bid a parcel being disposed of; provide for appraisal and appraisal review requirements and for appraisal and appraisal review selection procedures for land dispositions; and include reference to the Acquisition and Restoration Council.

Response: Based on the Auditor General's report, we will recommend to the BOT:

- a. As used in 18-2, Florida Administrative Code, the term "uplands parcels" does include wetlands that are above Mean High Water or Ordinary High Water that are not sovereignty lands. Therefore, the rule does not need to be amended.
- b. Consider amending 18-2.020(2)(b) to remove the 5-acre or less stipulation and replace it with a dollar value when determining whether a competitive bid is required.

- c. Modify 18-2 to include appraisal and appraisals review requirements for land dispositions as well as selection procedures for appraisers and review appraisers
- d. recognizing that the proposed procedures will vary from those for acquisitions; because in most cases, there is a private sector applicant desiring the surplus property, and the applicant incurs the cost of the appraisal services.
- e. Replace the reference to "Land Management Advisory Council" with "Acquisition and Restoration Council" in 18-2.021.
- f. Amend "uplands" in rule to "lands above mean high water or ordinary high water".

Finding 5: Our review of the acquisition of appraisal and appraisal review services disclosed that improvements are needed in appraisal services contract management and compliance with competitive bidding requirements.

Response: Appraisers are competitively bid pursuant to BOT rule 18-1.007, Florida Administrative Code and placed under a multi-year contract. The department respectfully disagrees with the recommendations that all appraisers under contract be competitively bid for each appraisal assignment for land acquisitions. To again competitively bid all appraisers under contract is redundant and does not follow the BOT's desire to expedite the acquisition process. Additionally, competitively bidding for appraisers that are not qualified for a particular assignment is not prudent.

The Division of State Lands will explore the idea of placing appraisal services requests on the DEP web site so that all appraisers under contract will have the ability to provide a cost proposal to perform the services sought. If this option is utilized, all appraisers will be provided notice of the website and process to be followed. It will then be up to each appraiser to visit the website and respond to projects of interest.

The DSL agrees with the recommendation to competitively bid for appraiser consultant work. The bids will be administered in accordance with the department's procedures. In 2004, the DSL worked with the Department of Agriculture and Consumer Services, Division of Forestry, stakeholders (including appraisers and consultant foresters) and developed procedural and reporting standards for Timber Cruise and Timber Appraisals for state acquisitions. The Timber Cruise and Timber Appraisal Standards will be incorporated by reference into the Supplemental Appraisal Standards.

Finding 6: The Department's policies provide for reviewing appraisal reports for conservation lands valued at or below \$500,000 on a sample basis. However, these reviews are completed, in some instances, years after the acquisitions are completed rather than during the acquisition process.

Response: In June 1999, the BOT adopted the current policy of reviewing these reports only on a sample basis. An administrative review is conducted on these appraisals during the acquisition process prior to approval. Because this process saves time and allows the

William O. Monroe
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the acquisition process prior to approval. Because this process saves time and allows the Department to concentrate its efforts on higher dollar acquisitions, the Department respectfully does not concur with the finding that reviews take place prior to negotiations.

Finding 7: We noted deficiencies, including the use of unapproved appraisal reports, for a land exchange, which was approved by the Board of Trustees.

Response: The deficiency noted in the audit report has been reconciled and the DSL now adheres to correct procedures.

Finding 8: Our review revealed missing appraiser affidavits for four land acquisition transactions.

Response: The DSL agrees with this finding and a procedure has been implemented to verify that appraiser affidavits are obtained for all acquisition appraisals.

If you have questions or need additional information, please call Joe Aita, Director of Auditing at (850)245-8013.

Sincerely



Colleen M. Castille
Secretary

CMC/ea/a