

STORAGE NAME: h1271.wrm
DATE: April 6, 1997

**HOUSE OF REPRESENTATIVES
COMMITTEE ON**

TRUST FUND CREATION BILL RESEARCH

BILL #: HB 1271
RELATING TO: Trust funds
SPONSOR(S): Representative Laurent
STATUTE(S) AFFECTED: Creates s. 403.8533, Florida Statutes (F.S.)
COMPANION BILL(S): SB 1038 (s), HB 1323 (c)
ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:
(1) WATER AND RESOURCE MANAGEMENT
(2) GENERAL GOVERNMENT (FISCAL)
(3)
(4)
(5)

I. SUMMARY:

This legislation creates the Drinking Revolving Loan Trust Fund. The trust fund will be administered by the Department of Environmental Protection (DEP).

Required by federal law as a condition of participating in the new federal Safe Drinking Water Act's capitalization program, the trust fund will be the repository for an estimated \$35 million in fiscal year 1997-1998 and \$7 million in state matching fund, plus interest earnings. If Florida continues to participate in the program, and if Congress continues to fund it through the year 2003, the trust fund may receive upwards of \$200 million over the next six years.

Monies in the trust fund will be used primarily to make loans to eligible public water supply systems for upgrades or modifications necessary to bring them into compliance with federal and state drinking water standards. Additionally, the funds can be used to finance technical assistance programs, source water protection programs, and environmental assessments.

HB 1271 works in conjunction with HB 1323, which makes changes to substantive law to authorize DEP's participation in the new federal program and to establish project criteria, program enforcement and rulemaking.

The trust fund will be terminated July 1, 2001, pursuant to section 19(f)(2), article III, of the State Constitution, but can be reviewed and re-created pursuant to state law.

HB 1271 takes effect July 1, 1997.

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

1. MAJOR STATUTES THAT CONTROL THE TRUST FUND:

HB 1271 creates s. 403.8533, F.S.

2. BRIEF DESCRIPTION OF THE FUND'S USES OR PURPOSES:

The trust fund will finance low-interest loans for planning, engineering design, and construction of public drinking water systems, and improvements to such systems to bring them into compliance with state and federal drinking water laws. It also will pay for compliance activities, operator certification programs, source water protection programs, and DEP's costs in administering the programs.

3. MAJOR SOURCES OF REVENUE FOR THE FUND:

So-called "capitalization grants" from the U.S. Environmental Protection Agency will be the largest source of dollars in the trust fund, along with a 20-percent match in state funds, likely general revenue. All funds not immediately needed for loans or other eligible expenditures will be invested, pursuant to s. 215.49, F.S., and the interest earnings from those investments, as well as from the loans, will be deposited in the trust fund also.

B. EFFECT OF PROPOSED CHANGES:

HB 1271 creates the state Drinking Water Revolving Loan Trust Fund.

III. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

This legislation has no fiscal impact on state agencies or state funds, on local governments as a whole or on the private sector.

IV. COMMENTS:

V. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

VI. SIGNATURES:

COMMITTEE ON:

Prepared by:

Legislative Research Director:

Joyce Pugh

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