

STORAGE NAME: h1333a.cjcl

DATE: April 11, 1997

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
CIVIL JUSTICE & CLAIMS
BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

BILL #: HB 1333

RELATING TO: Trust Funds

SPONSOR(S): Representative Meek

STATUTE(S) AFFECTED: None

COMPANION BILL(S): SB 902 by Senator Silver (s), SB 722, HB 1157, HB 1319

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) CIVIL JUSTICE & CLAIMS YEAS 8 NAYS 0
- (2) COMMUNITY AFFAIRS
- (3) CRIMINAL JUSTICE APPROPRIATIONS
- (4)
- (5)

I. SUMMARY:

HB 1333 would create the County Article V Trust Fund. A separate bill, HB 1319, would govern the operation of this fund. According to HB 1333, the Supreme Court would administer the County Article V Trust Fund. The fund would automatically terminate on June 30, 2001, unless terminated sooner. Prior to that date, the Supreme Court would be required to recommend the re-creation or termination of the fund to the President of the Senate and the Speaker of the House.

This bill, in conjunction with HB 1319, would have a significant fiscal impact on state and local governments.

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

Currently, s. 318.21, F.S., regulates the disposition of civil penalties collected by county courts. This section requires one dollar to be paid to the Department of Health and Rehabilitative Services (recently redesignated as the Department of Children and Family Services) for deposit into the Child Welfare Training Trust Fund. It also requires one dollar to be paid to the Department of Juvenile Justice for deposit into the Juvenile Justice Training Trust Fund. The remainder is paid to the General Revenue Fund, various trust funds, and the clerks of the court.

B. EFFECT OF PROPOSED CHANGES:

1. **Creation of the County Article V Trust Fund** - HB 1333 would create the County Article V Trust Fund. This fund would be administered by the Supreme Court and would be used to compensate counties for costs associated with operating the state courts system. Unless terminated sooner, the County Article V Trust Fund would automatically terminate on June 30, 2001. Prior to the legislative session preceding that date, the Supreme Court would recommend the re-creation or termination of the fund to the President of the Senate and the Speaker of the House. The court would make this recommendation as part of the judiciary's annual budget request to the Legislature.
2. **Implementing Legislation** - HB 1319 would govern the administration of the County Article V Trust Fund. County courts would be required to pay percentages of various civil fines into the trust fund. Over a four year period, these percentages would increase from 0 percent to 5 percent, to 10 percent, to 15 percent, to $20\frac{6}{10}$ percent. At the same time, percentages of certain civil fines allocated to the state's general revenue fund would drop, from $20\frac{6}{10}$ percent, to $15\frac{6}{10}$ percent, to $10\frac{6}{10}$ percent, to $5\frac{6}{10}$ percent, to 0 percent.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

Yes. HB 1319 would require the Florida Supreme Court to administer the County Article V Trust Fund.

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

Yes. The Florida Supreme Court would be responsible for administering the County Article V Trust Fund, and for making recommendations to the Legislature.

(3) any entitlement to a government service or benefit?

NA.

b. If an agency or program is eliminated or reduced:

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

NA.

(2) what is the cost of such responsibility at the new level/agency?

NA.

(3) how is the new agency accountable to the people governed?

NA.

2. Lower Taxes:

a. Does the bill increase anyone's taxes?

No.

b. Does the bill require or authorize an increase in any fees?

No.

c. Does the bill reduce total taxes, both rates and revenues?

No.

d. Does the bill reduce total fees, both rates and revenues?

No.

e. Does the bill authorize any fee or tax increase by any local government?

No.

3. Personal Responsibility:

- a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

No.

- b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

Na.

4. Individual Freedom:

- a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

No.

- b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

No.

5. Family Empowerment:

- a. If the bill purports to provide services to families or children:

- (1) Who evaluates the family's needs?

NA.

- (2) Who makes the decisions?

NA.

- (3) Are private alternatives permitted?

NA.

- (4) Are families required to participate in a program?

NA.

(5) Are families penalized for not participating in a program?

NA.

b. Does the bill directly affect the legal rights and obligations between family members?

No.

c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

(1) parents and guardians?

NA.

(2) service providers?

NA.

(3) government employees/agencies?

NA.

D. SECTION-BY-SECTION RESEARCH:

Section 1: Creates the County Article V Trust Fund; provides for administration by the Supreme Court.

Section 2: Provides for termination of the County Article V Trust Fund on a certain date; requires the Supreme Court to make recommendations to the Legislature; provides guidelines for termination of the County Article V Trust Fund.

Section 3: Provides an effective date.

III. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

None.

2. Recurring Effects:

Although HB 1333 would not, by itself, produce a fiscal impact, it would produce a fiscal impact when combined with HB 1319, which provides implementing guidelines.

The Office of the State Courts Administrator observes that sections 2 and 3 of HB 1319 would require state general revenue to be earmarked for Article V use during a four-year period. The Office of the State Courts Administrator calculates that this shift would cause the following reductions in state general revenue.

<u>Fiscal Year 1997-1998</u>	<u>Fiscal Year 1998-1999</u>	<u>Fiscal Year 1999-2000</u>
(\$0)	(\$5,375,000)	(\$10,750,000)

3. Long Run Effects Other Than Normal Growth:

Although HB 1333 would not, by itself, produce a fiscal impact, it would produce a fiscal impact when combined with HB 1319, which provides implementing guidelines.

The Office of the State Courts Administrator estimates that sections 4 and 5 of HB 1319, because they earmark funds for Article V use over a four-year period, would cause the following reductions in state general revenue:

<u>Fiscal Year 2000-20001</u>	<u>Fiscal Year 2001-2002</u>
(\$16,125,000)	(\$21,500,000)

Sections 2-5 of HB 1319 may result in some administrative costs connected with managing the Article V Trust Fund.

4. Total Revenues and Expenditures:

Uncertain.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

None.

2. Recurring Effects:

Although HB 1333 would not, by itself, produce a fiscal impact, it would produce a fiscal impact when combined with HB 1319, which provides implementing guidelines.

The Office of the State Courts Administrator anticipates that sections 2 and 3 of HB 1319 would result in the following fiscal impact:

<u>Fiscal Year 1997-1998</u>	<u>Fiscal Year 1998-1999</u>	<u>Fiscal Year 1999-2000</u>
\$0	\$5,375,000	\$10,750,000

The Office of the State Courts Administrator, using a projected case growth rate of 2.8 percent, calculates that section 6 of the bill would produce the following fiscal impact:

<u>Fiscal Year 1997-1998</u>	<u>Fiscal Year 1998-1999</u>	<u>Fiscal Year 1999-2000</u>
\$10,400,000	\$10,691,200	\$10,990,553

3. Long Run Effects Other Than Normal Growth:

Although HB 1333 would not, by itself, produce a fiscal impact, it would produce a fiscal impact when combined with HB 1319, which provides implementing guidelines.

The Office of the State Courts Administrator estimates that sections 4 and 5 of HB 1319 would enhance county revenues by the following amounts:

<u>Fiscal Year 2000-2001</u>	<u>Fiscal Year 2001-2002</u>
\$16,125,000	\$21,500,000

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

None.

2. Direct Private Sector Benefits:

None.

3. Effects on Competition, Private Enterprise and Employment Markets:

None.

D. FISCAL COMMENTS:

None.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill would not reduce the percentage of a state tax shared with counties or municipalities. Therefore, It would not contravene the requirements of Article VII, Section 18, of the state constitution.

V. COMMENTS:

1. Key Issues:

a. **Question Presented** - Should the state create a trust fund to compensate counties for costs associated with the state court system?

b. **Other Policy Considerations:**

(1) Is the current system of funding state courts fair to counties or does it impose an unreasonable burden upon counties? Should the state divert future revenues to relieve counties from fiscal burdens associated with funding state courts?

(2) Should the Florida Supreme Court be given the responsibility of administering this trust fund?

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

At the April 10, 1997 meeting of the Committee on Civil Justice and Claims, members adopted three amendments. These amendments would change the termination date of the trust fund to the year 2002, and would also change the effective date.

VII. SIGNATURES:

COMMITTEE ON CIVIL JUSTICE & CLAIMS:

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