

STORAGE NAME: h3979.tu
DATE: March 18, 1998

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
TOURISM
BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

BILL #: HB 3979
RELATING TO: Historic Pensacola Preservation Board
SPONSOR(S): Representative Maygarden
COMPANION BILL(S): SB 1842 (i)

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

- (1) TOURISM
- (2)
- (3)
- (4)
- (5)

I. SUMMARY:

House Bill 3979 amends ss. 266.0015 and 266.0018, F.S., to provide for the deposit of all money received from admissions to and rentals of facilities and properties managed by the Historic Pensacola Preservation Board into an account of the board's direct-support organization instead of the Historic Pensacola Preservation Board Operating Trust Fund. This change would permit these funds to be treated the same as funds generated from other activities of the board and its DSO. Additionally, instead of subjecting the funds to two transactions each banking day, once for deposit to the holding account and once for the transfer to Tallahassee, the funds would be placed in accounts in local banks thereby reducing the transactions required. By having the funds placed in local banks, the funds would generate interest as of the day of deposit and would increase revenue available to the board and its DSO by \$3,000 to \$5,000 annually. By the changes proposed in HB 3979, the board will no longer be assessed the service charge to General Revenue that it pays for the state to handle the admissions and rental funds deposited into the Trust Fund. According to the Department of State, the service charge amounts to approximately \$10,500 annually. According to the board, the additional revenues, interest generated by deposit of funds in local banks and removal of need for payment of service charge, would be available for use for the maintenance and repair of the state's 22 historic properties in Pensacola.

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

Part II of Chapter 266, Florida Statutes, creates the Historic Pensacola Preservation Board of Trustees (board) within the Department of State. The purposes and functions of the board include the following:

- restoring, preserving, maintaining, reconstructing, reproducing, and operating for the use, benefit, education, recreation, enjoyment, and general welfare of the people of this state and nation certain ancient or historic landmarks, sites, buildings, etc., and other objects of historical or antiquarian interest of the City of Pensacola and Escambia County; and
- researching, preparing publishing, and procuring for the use and benefit of the general public books, reports, articles, pamphlets, brochures, documents, maps, photographs, films, sound recordings, etc., in furtherance of the protection and preservation of and the dissemination of information about historic sites and properties, persons, places, events, objects, etc., pertaining to Florida history to be used by the board or made available by the board for others.

The Department of State monitors the effectiveness of all programs of the board and oversees the board to ensure that it complies with state laws and rules.

Section 266.0018, F.S., provides that the board may authorize a direct-support organization (DSO) to assist the board in carrying out its purposes by raising money; submitting requests for and receiving grants from the Federal Government, the state or its political subdivisions, private foundations, and individuals; receiving, holding, investing, and administering property; and making expenditures to or for the benefit of the board. The sole purpose of the DSO is to support the board. Currently, s. 266.0018(6), F.S., provides that any moneys may be held in a separate depository account in the name of the DSO and subject to the provisions of the contract with the board. These moneys include such things as membership fees, private donations, income derived from fundraising activities, and grants applied for and received by the DSO. The DSO is required by s. 266.0018(7), F.S., to provide for board review and approval an annual financial and compliance audit of its financial accounts and records prepared an independent certified public accountant in accordance with board rules. Upon approval, the board certifies the audit to the Auditor General for review.

Moneys received from admissions to and rentals of facilities and properties managed by the board are specifically prohibited from being deposited by the DSO in an account as it does other funds. Moneys received from these sources are required by s. 266.0015, F.S., to be deposited by the board into the Historic Pensacola Preservation Board Operating Trust Fund and are subject to annual appropriation by the Legislature for the "benefit of the board." Interest earned by the trust fund is required to be deposited into the trust fund.

According to the Department of State and the board, funds from admissions and rentals are required to have two transactions each banking day, once for deposit to the holding account and once for the transfer to Tallahassee. The board currently pays a service

STORAGE NAME: h3979.tu

DATE: March 18, 1998

PAGE 3

charge of approximately \$10,500 annually to General Revenue for the state to handle the funds.

B. EFFECT OF PROPOSED CHANGES:

House Bill 3979 amends ss. 266.0015 and 266.0018, F.S., to provide for the deposit of all money received from admissions to and rentals of facilities and properties managed by the Historic Pensacola Preservation Board into an account of the board's direct-support organization instead of the Historic Pensacola Preservation Board Operating Trust Fund. This change would permit these funds to be treated the same as funds generated from other activities of the board and its DSO. Additionally, instead of subjecting the funds to two transactions each banking day, once for deposit to the holding account and once for the transfer to Tallahassee, the funds would be placed in accounts in local banks thereby reducing the transactions required. By having the funds placed in local banks, the funds would generate interest as of the day of deposit and would increase revenue available to the board and its DSO by \$3,000 to \$5,000 annually. By the changes proposed in HB 3979, the board will no longer be assessed the service charge into General Revenue that it pays for the state to handle the funds deposited into the Trust Fund. According to the Department of State, the service charge amounts to approximately \$10,500 annually. According to the board, the additional revenues, interest generated by deposit of funds in local banks and removal of need for payment of service charge, would be available for use for the maintenance and repair of the state's 22 historic properties in Pensacola.

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?

No.

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

HB 3967 reduces some workload for the Department of State in the processing of invoices to transfer certain funds from the Historic Pensacola Preservation Board Trust Fund to the board. The bill will reduce the necessity for the board or its DSO to having to perform multiple banking transactions daily on the funds derived from the admissions to the museums as well as lease income from the rental of facilities.

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

No.

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?

N/A

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

N/A

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

N/A

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:

STORAGE NAME: h3979.tu

DATE: March 18, 1998

PAGE 5

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

N/A

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

N/A

4. Individual Freedom:

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

N/A

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

N/A?

5. Family Empowerment:

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

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

N/A

- (2) Who makes the decisions?

N/A

- (3) Are private alternatives permitted?

N/A

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

N/A

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

N/A

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

N/A

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?

N/A

(2) service providers?

N/A

(3) government employees/agencies?

N/A

D. STATUTE(S) AFFECTED:

Sections 266.0015 and 266.0018, F.S.

E. SECTION-BY-SECTION RESEARCH:

A section-by-section analysis is not required.

III. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

None.

2. Recurring Effects:

According to the Department of State, the total recurring costs are indeterminate; however, there would be a loss to General Revenue of up to \$10,500 because of a loss in service charge payment for the state handling the funds held in the Historic Pensacola Preservation Board Operating Trust Fund.

3. Long Run Effects Other Than Normal Growth:

None.

4. Total Revenues and Expenditures:

General Revenue	<u>1998/99</u> (\$10,500)	<u>1999/00</u> (\$10,500)
-----------------	------------------------------	------------------------------

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

N/A

2. Recurring Effects:

N/A

3. Long Run Effects Other Than Normal Growth:

N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

N/A

2. Direct Private Sector Benefits:

N/A

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

N/A

D. FISCAL COMMENTS:

According to the Department of State, the total recurring costs are indeterminate; however, there would be a loss to General Revenue of up to \$10,500 because of a loss in service charge payment for the state handling the funds held in the Historic Pensacola Preservation Board Operating Trust Fund. The amount of interest earned on moneys deposited from admissions and rentals, approximately \$3,000 to \$5,000, currently is in the Trust Fund. What effect, if any, this will have on state level revenues is negligible. The Department of State does indicate that there will be some savings to the department by their no longer being required to process invoices for transfer of the funds received from admissions and rentals from the state to the board.

STORAGE NAME: h3979.tu

DATE: March 18, 1998

PAGE 8

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 expend funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority of counties or municipalities to raise revenues.

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

This bill does not reduce the percentage of a state tax shared with counties and municipalities.

V. COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VII. SIGNATURES:

COMMITTEE ON TOURISM:

Prepared by:

Legislative Research Director:

Judy C. McDonald

Judy C. McDonald