

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based only on the provisions contained in the legislation as of the latest date listed below.)

BILL: SB 2542

SPONSOR: Senator Bronson

SUBJECT: Florida Commercial Space Financing Corporation Trust Fund

DATE: April 16, 1999 REVISED: 4/13/99 _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Joseph</u>	<u>Maclure</u>	<u>CM</u>	<u>Fav/1 amendment</u>
2.	<u>Hayes</u>	<u>Hadi</u>	<u>FP</u>	<u>Favorable</u>
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

I. Summary:

This bill creates the Florida Commercial Space Financing Corporation Trust Fund for the purpose of receiving funds to promote the commercial space industry in the state. The account shall be under the exclusive control of the board of directors of the Florida Commercial Space Financing Corporation.

The bill shall become effective depending on the effective date of related legislation creating the Florida Space Financing Corporation and shall not take effect unless it is enacted by a three-fifths vote of the membership of each house of the Legislature.

This bill creates section 331.376, Florida Statutes

II. Present Situation:

Spaceport Florida Authority

Part II, ss. 331.301 through 331.360, of ch. 331, F.S., known as the "Spaceport Florida Authority Act" (act), created the Spaceport Florida Authority (SFA) which has been in existence since 1989. The purpose of the act is to provide a unified direction for space-related economic growth and educational development, to ensure a stable and dynamic economic climate, to attract and maintain space-related businesses suitable to the state, and to further the coordination and development of Florida's economy. To that end, the SFA works through the direction of its board of supervisors, with the federal government, private industry, and Florida universities to develop and expand spaceport facilities, space launch capacity, spaceport projects, and complementary activities. The SFA also works with public and private universities and community colleges in the state to increase their involvement in space-related research and education.

The Spaceport Authority's executive director reports to a nine-member board of supervisors appointed by the Governor and Legislature. Seven board members are appointed by the

Governor, serving two and three year terms. One board member is appointed by the President of the Senate, and one board member is appointed by the Speaker of the House of Representatives. These legislative appointees are non-voting members of the board.

Trust Funds

In 1992, the electors of the State of Florida voted to adopt s. 19 of Art. III of the Florida Constitution, which relates to the state budgeting, planning, and appropriations processes and which, among other requirements, applies restrictions on the creation of new trust funds, the continuation of existing trust funds, and the duration of all trust funds not specifically exempted from that duration restriction.

Section 19(f)(1) of Art. III of the Florida Constitution specifies that a trust fund may only be created in a separate bill, which must be limited to that purpose only and must pass by a three-fifths vote of the membership of each house of the Legislature. Section 215.3207, F.S., establishes criteria, based on the constitutional requirements, for the contents of a bill creating a trust fund, including that such legislation specify at least the following:

- (1) The name of the trust fund.
- (2) The agency or branch of state government responsible for administering the trust fund.
- (3) The requirements or purposes that the trust fund is established to meet.
- (4) The sources of moneys to be credited to the trust fund or specific sources of receipts to be deposited in the trust fund.

Section 19(f)(2) of Art. III of the Florida Constitution requires that each trust fund in existence before the effective date of that provision (November 4, 1992) shall terminate not more than four years after that effective date. It also requires that subsequently created trust funds shall terminate not more than four years after the effective date of the act authorizing the creation of the trust fund.

Section 19(f)(3) of Art. III of the Florida Constitution provides that certain trust funds are exempt from the termination requirements of s. 19(f)(2) of Art. III of the Florida Constitution. Trust funds that are “established for bond covenants, indentures, or resolutions, whose revenues are legally pledged by the state or public body to meet debt service or other financial requirements of any debt obligations of the state or any public body; ... are not subject to the requirements set forth in paragraph (2) of this subsection.”

III. Effect of Proposed Changes:

This bill creates s. 331.376, F.S., to create the Florida Commercial Space Financing Corporation Trust Fund for the purpose of receiving state, federal, and private funds to promote the commercial space industry in the state. The fund shall be under the exclusive control of the board of directors of the Florida Commercial Space Financing Corporation. The Florida Commercial Space Financing Corporation is created in SB 2540, along with other provisions that establish direction for the use of this trust fund. The Florida Commercial Space Financing Corporation is created for the purpose of expanding employment and income opportunities by providing

businesses domiciled in the state with information, technological assistance, and financial assistance to support space-related transactions.

The corporation will fund the Florida Space Industry and Research Facility Development Program, to finance space industry research, manufacturing, and other industrial support facilities projects and programs. This program will be funded by reallocating approximately \$5 million annually from state sales taxes generated at the Kennedy Space Center Visitor Complex to be deposited in the Florida Commercial Space Financing Corporation Trust Fund. The Spaceport Management Council within the Spaceport Florida Authority will provide coordination and recommendations on projects and activities that will increase the operability and capabilities of Florida's space launch facilities. The Spaceport Management Council will direct funds raised through the sales tax reallocation

The trust fund created in this bill terminates on July 1, 2004.

The bill shall become effective depending on the effective date of related space financing legislation and shall not take effect unless it is enacted by a three-fifths vote of the membership of each house of the Legislature.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

This bill appears to comply with the provisions of s. 19(f)(1) of Article III of the Florida Constitution regarding creation of trust funds.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

#1 by Commerce and Economic Opportunities:

Clarifies that the effective date of this trust fund bill is the same as the effective date of Senate Bill 2540 or similar legislation related to the commercial space industry.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
