

STORAGE NAME: h0573a.ted

DATE: April 10, 1999

**HOUSE OF REPRESENTATIVES
AS REVISED BY THE COMMITTEE ON
TRANSPORTATION & ECONOMIC DEVELOPMENT APPROPRIATIONS
ANALYSIS**

BILL #: HB 573

RELATING TO: Camp Blanding/ Post Exchange Store

SPONSOR(S): Representative K. Smith

COMPANION BILL(S): SB 1136 (i)

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

- (1) COMMUNITY AFFAIRS YEAS 9 NAYS 0
 - (2) TRANSPORTATION & ECONOMIC DEVELOPMENT APPROPRIATIONS YEAS 7 NAYS 0
 - (3)
 - (4)
 - (5)
-

I. SUMMARY:

The bill amends 250.10, Florida Statutes, authorizing the Adjutant General of the Florida National Guard (FNG) to establish a post exchange store. The store serves members of the Florida National Guard and other authorized users and is located at the Camp Blanding Training Site (CBTS). Operation of the store must be in accordance with relevant provisions of the Florida Statutes.

The bill permits the use of the Camp Blanding Management Trust Fund in the initial operations of the post exchange store. The bill mandates that profits, if any, from the post exchange store must be deposited in the Camp Blanding Management Trust Fund. The funds must be used for the enhancement of the facilities and services provided by the CBTS.

The bill allows the Adjutant General to establish an account with a federally insured financial institution in the state to facilitate the operations of the post exchange store.

II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

Camp Blanding is the principal field training site for thousands of Florida National Guard members. It is a military installation with a training schedule that continues almost year-round to meet the training needs of tens of thousands of National Guardsmen and Guardswomen, active Army and Reservists from all over the United States.

Currently there is a post exchange store at the Camp Blanding Training Site (CBTS). The post exchange is part of the Army and Air Force Exchange System (AAFES) with a \$300,000 yearly inventory. The PX has a selection of Army and Air Force clothing as well as Camp Blanding speciality items, civilian clothing, jewelry, radios, cameras, small appliances, automotive supplies, snacks, and cold beverages.

The Department of Military Affairs comments that they can provide a better quality of service to the members of the Florida National Guard and to the other individuals using the training site. For this reason, the Adjutant General has asked the AAFES to leave Camp Blanding.

The Department of Military Affairs is committed to increasing and varying the store inventory, operating more convenient hours, and providing a better quality of service to the service members and their families.

The Camp Blanding Management Trust Fund consists of revenues realized at Camp Blanding, principally from the sale of timber products and royalties received from mining operations. By law, these funds are expended exclusively for the operation and maintenance of Camp Blanding.

B. EFFECT OF PROPOSED CHANGES:

The bill amends 250.10, Florida Statutes, authorizing the Adjutant General of the Florida National Guard (FNG) to establish a post exchange store. The store serves the members of the Florida National Guard and other authorized users at the CBTS.

The bill authorizes the use of funds from the Camp Blanding Management Trust Fund for the initial operations of the post exchange store. The bill also authorizes the Adjutant General to establish an account with a federally insured institution in the state to facilitate the operations of the store. Profits, if any, derived from the store; however, will be deposited into the Camp Blanding Management Trust Fund and used to enhance facilities at CBTS.

The bill also provides that the operation of the post exchange store must be in accordance with relevant provisions of Florida Statutes. It is unclear from the bill which "relevant provisions of the Florida Statutes" actually apply.

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?

The bill amends 250.10. F.S., authorizing the Adjutant General to establish a post exchange store for the members of the Florida National Guard and other authorized users at CBTS.

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

No.

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

An agency or program is not eliminated or reduced.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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?

There may be a potential loss of revenue from state sales tax.

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?

Not applicable.

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

The Camp Blanding Management Trust Fund is used in the initial operations of the post exchange store. Profits, if any, made from the store are deposited in the Camp Blanding Trust Fund to enhance the CBTS facilities and services.

4. Individual Freedom:

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

Not applicable.

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

Not applicable.

5. Family Empowerment:

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

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

Not applicable.

- (2) Who makes the decisions?

Not applicable.

- (3) Are private alternatives permitted?

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.

- 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?

Not applicable.

- (2) service providers?

Not applicable.

- (3) government employees/agencies?

Not applicable.

STORAGE NAME: h0573a.ted

DATE: April 10, 1999

PAGE 5

D. STATUTE(S) AFFECTED:

Section 250.10, Florida Statutes.

E. SECTION-BY-SECTION ANALYSIS:

Section 1 -- Amends section 250.10, F.S., by adding a new subsection (3); allows the Adjutant General of the FNG to establish a post exchange store at Camp Blanding Training Site (CBTS) for members of the Florida National Guard, their families, guests, and other authorized users; permits the use of the Camp Blanding Management Trust Fund in the initial operations of the post exchange store; requires that profits be used to enhance the CBTS facilities and services; allows the Adjutant General to establish a federally insured financial institution in the state to facilitate the operations of the post exchange store.

Section 2 -- Provides an effective date upon becoming law.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

The initial cost (\$200,000) for inventory and operations will be paid from the Camp Blanding Management Trust Fund. In succeeding years, it is projected that store sales will be sufficient to pay operational costs.

2. Recurring Effects:

Indeterminate.

3. Long Run Effects Other Than Normal Growth:

Indeterminate.

4. Total Revenues and Expenditures:

Indeterminate.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

None.

2. Recurring Effects:

None.

3. Long Run Effects Other Than Normal Growth:

None.

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:

Dupont mining operations at Camp Blanding have provided approximately \$1,000,000 a year to the Camp Blanding Management Trust Fund. Dupont is ceasing mining operations on July 1, 1999. It is the hope of the Department of Military Affairs that profits from the post exchange store will offset the loss of revenue from Dupont.

The inventory size at the current post exchange store is approximately \$300,000. No sales tax has been collected on the sale of these items because the Army and Air Force Exchange System (AAFES) is a non appropriated fund instrumentality of the United States and therefore a non taxable entity by the state. The Department of Revenue has advised the Department of Military Affairs that in the future DMA would also be prohibited from collecting sales tax at the store.

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:

The 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:

The bill does not reduce the percentage of a state tax shared with counties or municipalities.

V. COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

An amendment was adopted by the House Committee on Community Affairs on March 1, 1999, clarifying that the operation of the post exchange store must be in accordance with relevant provisions of state and federal laws, rules, and regulations.

VII. SIGNATURES:

COMMITTEE ON COMMUNITY AFFAIRS:

Prepared by:

Joan Highsmith-Smith/Aimee Diaz

Staff Director:

Joan Highsmith-Smith

STORAGE NAME: h0573a.ted

DATE: April 10, 1999

PAGE 7

AS REVISED BY THE COMMITTEE ON TRANSPORTATION & ECONOMIC DEVELOPMENT
APPROPRIATIONS:

Prepared by:

Staff Director:

Loretta Darity

Eliza Hawkins