

STORAGE NAME: h1923.ga

DATE: March 13, 2000

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
GENERAL APPROPRIATIONS
ANALYSIS**

BILL #: HB 1923 (PCB GA 00-13)

RELATING TO: Lawsuits Involving the Executive Branch

SPONSOR(S): Committee on General Appropriations and Representative Pruitt

TIED BILL(S):

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

(1) GENERAL APPROPRIATIONS YEAS 17 NAYS 0

(2)

(3)

(4)

(5)

I. SUMMARY:

During the 1999-2000 legislative interim, the General Appropriations Committee collected information from the various state agencies on outstanding litigation with the potential to affect the state budget. As a result of that project, several impediments to the timely flow of information on lawsuits involving state agencies were identified. This bill addresses several such issues:

- requires agencies proposing to settle lawsuits to specify how they will address costs within current appropriations.
- requires settlements that commit state spending to be contingent on legislative appropriation.
- requires money received by the state as a settlement to be deposited to the General Revenue Fund or the appropriate trust fund.
- requires an inventory of lawsuits to be submitted by agencies to the legislature twice a year in association with the budget process.
- requires the Division of Risk Management to provide more information to agencies it represents.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|------------------------------|-----------------------------|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

See Summary.

C. EFFECT OF PROPOSED CHANGES:

This bill amends s. 45.062, F.S., governing settlements, conditions, or orders when an agency of the executive branch of government is a party, to meet additional requirements with respect to notification. It provides that described settlements or orders shall be contingent upon and subject to legislative appropriation or statutory amendment, allows state agencies or officers to agree to use all efforts to procure legislative funding or statutory amendment, directs funds to be deposited in the General Revenue Fund or in the appropriate agency fund, and states the intent of the Legislature with respect to potential settlements. It also amends s. 216.023, F.S., to direct the head of each state agency to include an inventory of all litigation in which the agency is involved that may require additional appropriations to the agency or amendments to the law under which the agency operates. Finally, it amends s. 284.385, F.S., to require the Division of Risk Management assigned counsel in a case involving a state agency of the executive branch to report regularly to the covered department in addition to the Department of Insurance. The assigned counsel must also notify the covered department if a claim shall be compromised or settled for monetary compensation.

D. SECTION-BY-SECTION ANALYSIS:

Section 1. Amends s. 45.062, F.S., to revise a provision of law governing settlements, conditions, or orders when an agency of the executive branch of government is a party to meet additional requirements with respect to notification. It provides that described settlements or orders shall be contingent upon and subject to legislative appropriation or statutory amendment, allows state agencies or officers to agree to use all efforts to procure legislative funding or statutory amendment, directs funds to be deposited unallocated in the General Revenue Fund or in the appropriate agency fund, and states the intent of the Legislature with respect to potential settlements.

Section 2. Amends s. 216.023, F.S., to direct the head of each state agency to include an inventory of all litigation in which the agency is involved that may require additional appropriations to the agency or amendments to the law under which the agency operates.

Section 3. Amends s. 284.385, F.S., to require Division of Risk Management assigned counsel in a case involving a state agency of the executive branch to report regularly to the covered department in addition to the Department of Insurance. The assigned counsel must also notify the covered department if a claim shall be compromised or settled for monetary compensation.

Section 4. Establishes an effective date.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

N/A

2. Expenditures:

N/A

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

N/A

2. Expenditures:

N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

N/A

D. FISCAL COMMENTS:

N/A

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 any actions requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority of counties or municipalities to raise revenues in the aggregate, as such authority existed on February 1, 1989.

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 as an aggregate on February 1, 1989.

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V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

N/A

B. RULE-MAKING AUTHORITY:

N/A

C. OTHER COMMENTS:

N/A

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VII. SIGNATURES:

COMMITTEE ON GENERAL APPROPRIATIONS:

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