

STORAGE NAME: h0627.ft

DATE: February 8, 2000

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
FINANCE & TAXATION
TRUST FUND RE-CREATION ANALYSIS**

BILL #: HB 627 (PCB ED 00-01)

RELATING TO: Creating the Lottery Capital Outlay and Debt Service Trust Fund

SPONSOR(S): Education Appropriations Committee

TIED BILL(S):

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

- (1) EDUCATION APPROPRIATIONS COMMITTEE YEAS 11 NAYS 0
 - (2) FINANCE & TAXATION
 - (3)
 - (4)
 - (5)
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I. SUMMARY:

This legislation creates the Lottery Capital Outlay and Debt Service Trust Fund. The Lottery Capital Outlay and Debt Service Trust Fund is administered by Department of Education. This legislation has no fiscal impact on state agencies or state funds, on local government as a whole or on the private sector. It simply creates the Lottery Capital Outlay Trust Fund to receive, maintain, disburse, and account for Legislative appropriations from Lottery revenues for fixed capital outlay and debt service for K-12 education.

II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

In the November 1997 Special Session on educational facilities the Legislature created the Lottery Capital Outlay Bond program to fund fixed capital for K-12 education. Section 24.121, F.S., was amended to reserve a portion of the Lottery revenues transferred to the Educational Enhancement Trust Fund to be used for fixed capital outlay and debt service. Under governmental accounting procedures, funds appropriated for fixed capital and debt service should be maintained and accounted for in a fund separate from funds appropriated to be expended for other purposes. The first Lottery Capital Outlay Bonds were issued in 1998. Since that time Lottery funds appropriated for fixed capital outlay and debt service have been maintained with funds appropriations to be expended for other purposes in the same fund.

1. MAJOR STATUTES THAT CONTROL THE TRUST FUND:

Sections 24.121, 235.187, 235.2195, 235.4355, F.S., and Section 11 (d), Article VII of the State Constitution

2. BRIEF DESCRIPTION OF THE FUND'S USES OR PURPOSES:

The Lottery Capital Outlay and Debt Service Trust Fund is to be used to receive, maintain, disburse, and account for Legislative appropriations of Lottery funds to be used for fixed capital outlay and debt service for K-12 education.

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3. MAJOR SOURCES OF REVENUE FOR THE FUND:

The major sources of revenue for this fund will be Legislative appropriations of Lottery revenues reserved for fixed capital outlay and debt service for K-12 education, and any interest earned on these funds prior to being disbursed.

B. EFFECT OF PROPOSED CHANGES:

The effect of this change will be that Lottery funds appropriated for fixed capital outlay and debt service will be maintained and accounted for in a fund separate for Lottery funds appropriated for other purposes.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

This legislation has no fiscal impact on state agencies or state funds, on local governments as a whole or on the private sector.

IV. COMMENTS:

Because the funds appropriated to this Trust Fund must be used exclusively for fixed capital outlay and debt service on outstanding bonds, pursuant to section 216.351, F.S., and the provisions of Section 216.301, F.S., any balance in the trust fund at the end of any fiscal year shall remain in the trust fund and shall be available for carrying out the purposes of the trust fund. In addition pursuant to Section 19 (f) (3), Article III of the State Constitution, the trust fund is not subject to automatic termination after four years under Section 19 (f) (2), Article III of the State Constitution.

This legislation was taken up by the Education Appropriations Committee on November 4, 1999, as PCB ED-00-01, and passed unanimously.

V. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VI. SIGNATURES:

COMMITTEE ON EDUCATION APPROPRIATIONS:

Prepared by:

Staff Director:

William Cecil Golden

John Newman

AS REVISED BY THE COMMITTEE ON FINANCE & TAXATION:

Prepared by:

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