

**STORAGE NAME:** h1957.frc.doc  
**DATE:** February 25, 2002

**HOUSE OF REPRESENTATIVES**  
**FISCAL RESPONSIBILITY COUNCIL**  
**ANALYSIS**

**BILL #:** HB 1957 (PCB FRC 02-10)  
**RELATING TO:** Trust Funds  
**SPONSOR(S):** Fiscal Responsibility Council and Representative Dockery

**TIED BILL(S):**

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

- (1) FISCAL RESPONSIBILITY COUNCIL YEAS 22 NAYS 0
  - (2)
  - (3)
  - (4)
  - (5)
- 

**I. SUMMARY:**

Article III, Section 19 (f) of the State Constitution terminates most trust funds four years after their effective date. Prior to such termination, the Legislature reviews trust funds in order to recreate, terminate, or determine them exempt from automatic termination in accordance with provisions of Article III, Section 19(f) of the State Constitution.

In addition to the normal four-year review, the fiscal committees have reviewed all of the state's trust funds for possible termination. Emphasis was placed on identifying trust funds whose receipts would otherwise be deposited in the General Revenue Fund and trust funds that must be supplemented with General Revenue to fully fund their programs.

This bill terminates three trust funds within the Department of Agriculture and Consumer Services, three trust funds within the Department of Management Services, one trust fund within the Department of Revenue, one trust fund within the Fish and Wildlife Conservation Commission and exempts eleven trust funds within the Department of Management Services. The bill also renames two trust funds within the Fish and Wildlife Conservation Commission, one trust fund in the Department of Agriculture and Consumer Services, and amends various statutes in order to conform with the provisions of this bill.

Fiscal impact: This bill transfers the balances, totaling \$318,716, of three terminated trust funds to the General Revenue Fund.

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II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- |                                   |   |                             |   |
|-----------------------------------|---|-----------------------------|---|
| 1. <u>Less Government</u>         | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input 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:

Article III, Section 19 (f) of the State Constitution, adopted and effective on November 4, 1992, provides that no trust fund may have a life span of more than 4 years and sets forth provisions that exempt certain trust funds from automatic termination.

The state operates approximately 450 trust funds as the recipient of those monies earmarked in the General Appropriations Act for specific purposes. Because of statutory limitations on the operations of most trust funds, the Legislature has little discretion in allocating money allocated in trust funds among programs.

C. EFFECT OF PROPOSED CHANGES:

This bill terminates three trust funds within the Department of Agriculture and Consumer Services, two trust funds within the Department of Management Services, one trust fund within the Department of Revenue, one trust fund within the Fish and Wildlife Conservation Commission and exempts eleven trust funds within the Department of Management Services. The bill also renames two trust funds within the Fish and Wildlife Conservation Commission, one trust fund in the Department of Agriculture and Consumer Services, and amends various statutes in order to conform with the provisions of this bill.

D. SECTION-BY-SECTION ANALYSIS:

Section 1. Lists the three trust funds to be terminated within the Department of Agriculture and Consumer Services, two trust funds within the Department of Management Services, one trust fund within the Department of Revenue, and one trust fund within the Fish and Wildlife Conservation Commission, effective July 1, 2003, unless otherwise noted. Provides for the payment of outstanding debts and obligations of the terminated funds and for the removal of the terminated funds from the various state accounting systems. Provides for the disposition of the remaining balance and revenues of each terminated fund. The terminated trust funds are:

A. Within the Department of Agriculture and Consumer Services:

1. The Market Trade Show Trust Fund, FLAIR number 42-2-466, from which the remaining balance and revenues shall be transferred to the Florida Agricultural Promotion Trust Fund in the Department of Agriculture and Consumer Services.

2. The Working Capital Trust Fund, FLAIR number 42-2-792, from which the remaining balance and revenues shall be transferred to the General Revenue Fund. (effective July 1, 2002)

3. The Conservation and Recreation Lands Program Trust Fund, FLAIR number 42-2-931. from which the remaining balance and revenues shall be transferred to the Incidental Trust Fund in the Department of Agriculture and Consumer Services.

B. Within the Department of Management Service:

1. The Motor Vehicle Operating Trust Fund, FLAIR number 72-2-486, from which the remaining balance and revenues shall be transferred to the Grants and Donations Trust Fund in the Department of Management Services. (effective July 1, 2002)

2. The Social Security Contribution Trust Fund, FLAIR number 72-2-638, from which the remaining balance and revenues shall be transferred to the General Revenue Fund. (effective July 1, 2002)

3. The State Employee Child Care Revolving Trust Fund, FLAIR number 72-2-670, from which the remaining balance and revenues shall be transferred to the General Revenue Fund. (effective July 1, 2002)

C. Within the Department of Revenue:

1. The Drug Enforcement Trust Fund, FLAIR number 73-2-171, from which the remaining balance and revenues shall be transferred to the General Revenue Fund. (effective July 1, 2002)

D. Within the Fish and Wildlife Conservation Commission:

1. The Conservation and Recreation Lands Program Trust Fund, FLAIR number 77-2-931, from which the remaining balance and revenues shall be transferred to the Fish and Wildlife Conservation Trust Fund in the Fish and Wildlife Conservation Commission.

Section 2. Renames two trust funds and provides for an effective date:

A. Within the Fish and Wildlife Conservation Commission:

1. The Land Acquisition Trust Fund, FLAIR number 77-2-423 is renamed the Habitat Protection Trust Fund.

2. The State Game Trust Fund, FLAIR number 77-2-672 is renamed the Fish and Wildlife Conservation Trust Fund.

Section 3. The Legislature identifies those trust funds that were reviewed this year and that are exempt from the automatic termination provisions of Article III, Section 19(f) of the State Constitution. Specifically the Legislature identifies the following trust funds within the listed agencies: (effective upon act becoming law)

A. Within the Department of Management Services:

1. The Florida Retirement System Trust Fund. This trust fund is exempt under the Article III, Section 19(f)(3) provision exempting the Florida retirement trust fund.
2. The Florida Facilities Pool Clearing Trust Fund. This trust fund is exempt under the Article III, Section 19(f)(3) provision exempting trust funds established for bond covenants.
3. The Florida Retirement System Preservation Benefits Trust Fund. This trust fund is exempt under the Article III, Section 19(f)(3) provision exempting the Florida retirement trust fund.
4. The Institute of Food and Agricultural Sciences Supplemental Retirement Trust Fund. This trust fund is exempt under the Article III, Section 19(f)(3) provision exempting trust funds that account for assets held by the state in a trustee capacity as an agent or fiduciary for individuals, private organizations, or other governmental units.
5. The Senior Management Service Optional Annuity Program Trust Fund. This trust fund is exempt under the Article III, Section 19(f)(3) provision exempting trust funds that account for assets held by the state in a trustee capacity as an agent or fiduciary for individuals, private organizations, or other governmental units.
6. The Optional Retirement Program Trust Fund. This trust fund is exempt under the Article III, Section 19(f)(3) provision exempting trust funds that account for assets held by the state in a trustee capacity as an agent or fiduciary for individuals, private organizations, or other governmental units.
7. The Police and Firefighters Premium Tax Trust Fund. This trust fund is exempt under the Article III, Section 19(f)(3) provision exempting trust funds that account for assets held by the state in a trustee capacity as an agent or fiduciary for individuals, private organizations, or other governmental units.
8. The State Employees Life Insurance Trust Fund. This trust fund is exempt under the Article III, Section 19(f)(3) provision exempting trust funds that account for assets held by the state in a trustee capacity as an agent or fiduciary for individuals, private organizations, or other governmental units.
9. The State Employees Health Insurance Trust Fund. This trust fund is exempt under the Article III, Section 19(f)(3) provision exempting trust funds that account for assets held by the state in a trustee capacity as an agent or fiduciary for individuals, private organizations, or other governmental units.
10. The State Employees Disability Insurance Trust Fund. This trust fund is exempt under the Article III, Section 19(f)(3) provision exempting trust funds that account for assets held by the state in a trustee capacity as an agent or fiduciary for individuals, private organizations, or other governmental units.
11. The State Employees Savings Bond Trust Fund. This trust fund is exempt under the Article III, Section 19(f)(3) provision exempting trust funds that account for assets held by the state in a trustee capacity as an agent or fiduciary for individuals, private organizations, or other governmental units.

Section 4. Renumbers s. 571.26, F. S., as 570.536, F. S., and amends it to rename the Florida Agricultural Promotional Campaign Trust Fund to the Florida Agricultural Promotion Trust Fund and provides use of fund for the promotion of Florida agricultural products.

Section 5. Amends s. 571.25(2), F. S., to conform to the renaming of the Florida Agricultural Promotional Campaign Trust Fund to the Florida Agricultural Promotion Trust Fund.

Section 6. Amends s. 570.07(20), F. S., to conform to the renaming of the Florida Agricultural Promotional Campaign Trust Fund to the Florida Agricultural Promotion Trust Fund and to direct that donations are deposited into the trust fund.

Section 7. Repeals s. 570.207, F. S., which establishes the Conservation and Recreation Lands Program Trust Fund in the Department of Agriculture and Consumer Services.

Section 8. Amends s. 570.71(12), F. S., to conform to the repeal of the Conservation and Recreation Lands Program Trust Fund and the use of the Incidental Trust Fund for the disposition of funds for conservation easements and agreements.

Section 9. Creates s. 589.37, F. S., to authorize the purpose and uses of the Incidental Trust Fund in the Department of Agriculture and Consumer Services.

Sections 10-20. Repeals sections 122.351 and 650.06, F. S., amends paragraph (e) of subsection (3) of section 121.011, F. S., amends subsection (1) of section 121.031, F. S., amends subsection (5) of section 121.071, F. S., amends subsection (1) of section 121.141, F. S., amends section 122.26, F. S., amends subsection (2) of section 122.27, F. S., amends section 122.30, F. S., amends section 122.35, F. S., amends subsections (1) and (2) of section 650.04, F. S., and amends section 650.05, F. S., to conform language due to the termination of the Social Security Contribution Trust Fund.

Section 21. Repeals s. 110.151(7), F. S., which reestablishes the State Employee Child Care Revolving Trust Fund in the Department of Management Services.

Section 22. Repeals s. 372.127, F. S. This section abolishes the Conservation and Recreation Lands Program Trust Fund in the Fish and Wildlife Conservation Commission.

Section 23. Amends s. 372.074, F. S. This section renames the Land Acquisition Trust Fund within the Fish and Wildlife Conservation Commission to the Habitat Protection Trust Fund.

Section 24. Amends s. 372.09, F. S. This section renames the State Game Trust Fund within the Fish and Wildlife Conservation Commission to the Fish and Wildlife Conservation Trust Fund and clarifies and updates the original intent of the fund to reflect the new agency's responsibilities.

Sections 25-38. Amends subsections (5) and (7) of s. 201.15, F. S., paragraph (b) of subsection (1) of s. 206.06, F. S., paragraph (o) of subsection (4) of s. 215.20, F. S., paragraph (b) of subsection (18) of s. 320.08058, F. S., paragraph (c) of subsection (5) of s.327.35215, F. S., paragraphs (b) and (c) of subsection (6) of s. 372.0222, F. S., s. 372.03, F. S., s. 372.7015, F. S., s. 372.73, F. S., subsection (3) of s. 372.9901, F. S., subsection (3) of s. 372.9904, F. S., s. 372.9906, F. S., subsection (2) of s. 375.313, F. S., and paragraph (e) of subsection (5) of s. 932.7055, F. S. These sections relate to the renaming of the State Game Trust Fund to the Fish and Wildlife Conservation Trust Fund and relate to revenues deposited into the trust fund.

Section 39. Provides an effective date of July 1, 2003, except as otherwise provided in the act.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

	<u>2002/03</u> <u>Fiscal Year</u>
Non-recurring: General Revenue	
Transfers from Trust Funds	\$318,716

2. Expenditures:

Non-recurring: Non-Operating Disbursements:	
Social Security Contribution TF	\$103,720
State Employee Child Care Revolving TF	7,664
Drug Enforcement TF	<u>207,332</u>
Total – Trust Funds	<u>\$318,716</u>

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

This bill reduces the number of trust funds by eliminating trust funds and combining related funds to increase management efficiency.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require municipalities or counties to spend money.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

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

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

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

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

None.

C. OTHER COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

None.

VII. SIGNATURES:

FISCAL RESPONSIBILITY COUNCIL:

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