



## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. DOES THE BILL:

- |                                      |                              |                             |   |
|--------------------------------------|------------------------------|-----------------------------|---|
| 1. Reduce government?                | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. Lower taxes?                      | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom?        | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families?                 | 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. EFFECT OF PROPOSED CHANGES:

This bill amends s. 215.85, F.S, to allow local governments to pay certain expenses by means of electronic funds transfer.

##### Current Law

The "Direct Deposit of Public Funds Act" in s. 215.85, F.S., provides authorization for all public agencies and the judicial branch to withdraw, pay or disburse public funds in their control by direct deposit to the account of the person entitled to receive such funds. Paragraph (3)(b) defines the term "public funds" as:

*"...all moneys under the jurisdiction or control of the state, a county, or a municipality, including any district, authority, commission, board, or agency thereof and the judicial branch, and includes all manner of pension and retirement funds and all other funds held, as trust funds or otherwise, for any public purpose."*

Subsection (5) provides procedures for wire transfer of public funds. Local governments are authorized to transfer funds from one depository to another or within a depository or to another institution, and to transfer funds "wherein the transfer does not represent an expenditure, advance, or reduction of cash assets." Such transfers may be made by electronic, telephonic, or other medium, and each transfer must be confirmed in writing and signed by the designee of the governing board or officer of the local government.

#### C. SECTION DIRECTORY:

Section 1: This section amends s. 215.85, F.S., to allow the governing board or officer of any local government who has the authority to deposit or withdraw funds to electronically transfer funds to pay expenses evidenced by a valid invoice.

Section 2: Provides an effective date of upon becoming law.

### II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

#### A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues: None.
2. Expenditures: None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues: None.
2. Expenditures: Local government budgets may be impacted positively to the extent it decreases payment by paper check and mail delivery.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR: Private industry whose clients include local government may benefit from earlier payment of outstanding balances.

D. FISCAL COMMENTS: None.

### III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision: Not applicable.
2. Other: None.

B. RULE-MAKING AUTHORITY: Not applicable.

C. DRAFTING ISSUES OR OTHER COMMENTS:

Other Comments

The Sponsor states that the goal of the bill is to decrease the time that businesses wait before receiving payment. One common complaint from the business community is that government agencies are slow to pay. By eliminating the time spent printing, handling and mailing checks, the Sponsor estimates that electronic transfers will decrease the delay by 7-10 days.

### IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

The Local Affairs Subcommittee recommended an amendment to resolve a technical drafting issue at its meeting on March 20, 2003.