

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: CS/SB 68

SPONSOR: Regulated Industries Committee and Senator Geller

SUBJECT: Video Lottery Purse Trust Fund

DATE: April 10, 2003

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Imhof</u>	<u>Imhof</u>	<u>RI</u>	<u>Fav/CS</u>
2.	<u>Keating</u>	<u>Johansen</u>	<u>FT</u>	<u>Favorable</u>
3.	_____	_____	<u>AGG</u>	_____
4.	_____	_____	<u>AP</u>	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This bill creates the Video Lottery Purse Trust Fund to implement the distribution of proceeds for purses from video lottery games.

This bill creates section 550.2631, Florida Statutes.

II. Present Situation:

Creation, Operation and Termination of Trust Funds

Section 215.32(2)(b), F.S., designates a trust fund as moneys received by the state which, under law or under trust fund agreement, are segregated for a purpose authorized by law. The Florida Constitution prohibits the creation by law of a trust fund of the state or other public body without a three-fifths vote of the membership of each house of the Legislature¹. The conditions further specify that such a trust fund must be created by a separate bill for that purpose only.

Furthermore, the Legislature has articulated statutory criteria governing the establishment of trust funds.² The statutory language creating a trust fund must, at a minimum, specify the following:

- The name of the trust fund;
- The agency or branch of state government responsible for the administration of the trust fund;
- The requirements or purposes that the trust fund is established to meet; and
- The sources of moneys or receipts to be credited to or deposited in the trust fund.

¹ Section 19(f) of Article III of the State Constitution governs the creation of trust funds.

² See s. 215.3207, F.S.

By constitutional requirement, trust funds created after November 4, 1992, shall terminate not more than 4 years after the effective date of the act authorizing the creation of the trust fund, unless the Legislature by law sets a shorter authorization period for the trust fund.³ The constitution exempts specified types of trust funds from this automatic termination.⁴ A bill that creates a trust fund should specify its date of termination.

The Legislature has provided a schedule and process for reviewing trust funds.⁵ Before the regular session of the Legislature immediately preceding the scheduled termination date of an executive branch trust fund (or an earlier date if specified by the Legislature), the agency responsible for the administration of the trust fund and the Governor must recommend to the Legislature whether the trust fund should be allowed to terminate or should be re-created.⁶ Each recommendation to re-create the trust fund may include suggested modifications to the purpose, sources of receipts and allowable expenditures for the trust fund. All cash balances and income in trust funds terminated and not immediately re-created are deposited into the General Revenue Fund.⁷ The agency is to pay any outstanding debts of the trust fund and remove the trust fund from the various state accounting systems.

III. Effect of Proposed Changes:

This bill creates the Video Lottery Purse Trust Fund to be administered by the Department of Business and Professional Regulation. Funds credited to the trust fund shall be used for the purpose of implementing the distribution of proceeds from video lottery games for purses authorized in accordance with s. 24.132, F.S.

Notwithstanding the requirement in ch. 216, F.S., for the reversion of unexpended balances of appropriations, funds remaining in the trust fund at the end of the fiscal year may be retained in the trust fund in support of the fund's purposes.

The act takes effect on July 1, 2003, if it is enacted by at least a three-fifths vote of the membership of each house of the Legislature and if SB 1920 or similar legislation is adopted in the same legislative session or any extension. Consistent with the constitutional requirement of s. 19(f)(2), Art. III of the State Constitution, the bill specifies that the trust fund terminates on July 1, 2007, and that the trust fund is subject to review by the Legislature under s. 215.3206(1) and (2), F.S.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

³ See s. 19(f)(2), Art. III, State Constitution

⁴ See s. 19(f)(3), Art. III, State Constitution

⁵ See ss. 215.3206 and 215.3208, F.S.

⁶ See s. 215.3206(1), F.S.

⁷ See s. 215.3206(2), F.S.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

This bill creates the Video Lottery Purse Trust Fund to be administered by the Department of Business and Professional Regulation. The bill appears to comply with the requirements of s. 19(f), Art. III, State Constitution, relating to the creation and termination of trust funds.

V. Economic Impact and Fiscal Note:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.