

# 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 2646

SPONSOR: Appropriations Committee and Senator Webster

SUBJECT: Trust Funds/Terminations

DATE: March 18, 2004      REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Weaver</u>	<u>Kelly</u>	<u>ATD</u>	<u>Fav/CS</u>
2.	_____	_____	<u>AP</u>	<u>Withdrawn: Fav/CS</u>
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

**I. Summary:**

The Committee Substitute for Senate Bill 2646 provides for the termination, exemption or modification of specified trust funds within the Executive Office of the Governor, the Department of Community Affairs, the Department of Highway Safety and Motor Vehicles, the Department of Transportation, and the Department of State. All terminated trust funds are no longer in use, with the exception of the Publications Revolving Trust Fund in the Department of State, which is being consolidated with the Records Management Trust Fund for efficiency. The bill exempts from termination those trust funds that meet the criterion in s. 19(f), Art. III of the State Constitution. The bill revises statutory language regarding several trust funds increasing efficiency and providing programmatic flexibility. Finally, the bill clarifies the application of the Service Charge to General Revenue provision in s. 215.20 F.S., for certain voluntary contributions received in connection with driver license applications or motor vehicle registrations.

The bill has an effective date of July 1, 2004.

**II. Present Situation:**

Article III, Section 19(f) of the Florida Constitution requires the recreation of all agency trust funds every 4 years. The Legislature has placed agency funds on a staggered review cycle to facilitate the review and recreation. An analysis of the trust funds under the jurisdiction of the Transportation and Economic Development Appropriations Subcommittee has revealed the following:

**Department of State**

The Publications Revolving Trust Fund, FLAIR number 45-2-572, is used to track the receipt and expenditure of fee revenue supporting the publication and distribution of the Florida Administrative Weekly. In addition to this fund, the department has a Records Management Trust Fund, FLAIR number 45-2-561, which also accounts for the receipt and expenditure of fee revenue.

The Ringling Museum Investment Trust Fund, FLAIR number 45-2-572, is no longer in use. The Ringling Museum of Art was transferred to the FSU Foundation in Chapter 2000-258, Laws of Florida. The remaining cash balance was transferred to FSU foundation pursuant to court order.

The Library Construction Trust Fund, FLAIR number 45-2-447, is obsolete. This fund was used to account for the receipt and expenditure of U.S. Department of Education's Public Library Construction and Technology Enhancement Program funds. Congress has eliminated funding for this program. There is no cash balance remaining in the trust fund.

#### **Department of Highway Safety and Motor Vehicles**

The Civil Fines Clearing Trust Fund, FLAIR number 76-2-094, is no longer in use. This fund was used as a depository for the collection and distribution of civil penalties received by county courts. This function was transferred to the Department of Revenue in Chapter 2001-122, Laws of Florida. There is no cash balance remaining in the trust fund.

#### **Department of Community Affairs**

The Coastal Zone Management Trust Fund, FLAIR number 52-2-096, is no longer in use. This fund was used as a repository for federal funds from the National Oceanic and Atmospheric Administration for the protection and management of coastal areas. The program was transferred to the Department of Environmental Protection in Chapter 2002-277, Laws of Florida. There is no cash balance remaining in the trust fund.

The Governor's Council on Criminal Justice Trust fund, FLAIR number 52-2-333, is longer in use. This fund was used to administer the Bryne State and Local Law Enforcement Assistance Program, the Drug Free Communities Program, the Local Law Enforcement Block Grants, the Residential Substance Abuse Treatment Program, and the Violent Offender Incarceration Program which were transferred to the Florida Department of Law Enforcement and the Prevention of Domestic and Sexual Violence Program which was transferred to the Department of Children and Family Services. All of these programs were transferred in Chapter 2001-184, Laws of Florida. There is no cash balance remaining in the trust fund.

The Emergency Management, Preparedness, and Assistance Trust Fund, FLAIR number 52-2-191, is used for the implementation and administration of state and local emergency management programs, including training and state relief assistance. Section 252.373, Florida Statutes, provides legislative direction to the Department of Community Affairs on the allocation of funds appropriated to this trust fund. For the last several years, the General Appropriations Act has allocated funds from this trust fund in a different manner than prescribed in s. 252.373 F.S.

The following trust funds are currently exempt from the termination requirements of s.19(f), Art. III of the State Constitution:

**Executive Office of the Governor**  
Administered Funds Trust Fund

**Department of Transportation**

Central Florida Beltway Trust Fund  
Everglades Parkway Construction Trust Fund  
Turnpike Renewal and Replacement Trust Fund  
Turnpike General Reserve Trust Fund  
Turnpike Bond Construction Trust Fund  
Jacksonville Transportation Authority Project Construction Trust Fund  
Jefferson County 1992 Project Construction Trust Fund  
State Transportation Trust Fund  
Right-of-Way Acquisition and Bridge Construction Trust Fund

**Department of Community Affairs**

Florida Forever Program Trust Fund  
Florida Preservation 2000 Trust Fund

**Department of Highway Safety and Motor Vehicles**

International Registration Clearing Trust fund  
License Tax Collection Trust Fund  
Motor Vehicle License Clearing Trust Fund  
Security Deposits Trust Fund

**Agency for Workforce Innovation**

The Employment Security Administration Trust Fund, FLAIR number 75-2-195 was created in s. 443.211(1), F.S., for the deposit of revenues including: all moneys appropriated by the state; all moneys received from the United States or any federal agency; and any moneys received from any agency of the United States or any other state as compensation for services or facilities supplied to that agency. Currently, through a cooperative agreement with the United States Department of Labor, the Agency's Labor Market Information (LMI) Unit receives federal funding to produce, analyze and distribute labor market statistics for Florida. Examples of statistical information provided include: labor force data, employment data, unemployment data and unemployment rates, wage data and projections. In the past, Regional Workforce Boards have asked the Agency to provide specialized labor market reports, such as regional vacancy surveys, that the current level of federal funding for the LMI program does not support. In the FY 2003-04 General Appropriations Act, the Legislature included proviso language to enable the agency to collect funds for enhanced, specialized, or value-added labor market information services provided by the Agency in the Employment Security Administration Trust Fund. To date, the Agency has entered into contracts to provide vacancy surveys in Regions 6, 7, 11, 12 and 23 totaling \$56,000. It is anticipated that at least 7 vacancy surveys, projected to total \$150,000, will be requested in FY 2004-05.

**Service Charge to General Revenue**

Section 215.20, Florida Statutes, provides a 7 percent service charge on all revenue of an income nature deposited into trust funds to support the costs of general government. This section also provides exemptions from paying the service charge.

Under current law, a person who applies for a driver's license or a duplicate license is allowed to make a voluntary contribution to a variety of state and non-profit organizations. These voluntary contributions are subject to the provisions in s. 215.20, F.S., requiring a Service Charge to General Revenue. While some of the programs are state administered, the Florida Council of the Blind, the Hearing Research Institute, Incorporated, and the Juvenile Diabetes Foundation International are not, with the state serving only in a fiduciary capacity.

**III. Effect of Proposed Changes:****Section 1**

Terminates the following trust funds which are either obsolete or could be consolidated with other trust funds:

**Department of State**

- Publications Revolving Trust Fund (merged with the Records Management Trust Fund)
- Ringling Museum Investment Trust fund
- Library Construction Trust Fund

**Department of Highway Safety and Motor Vehicles**

- Civil Fines Clearing Trust fund

**Department of Community Affairs**

- Governor's Council on Criminal Justice Trust fund
- Coastal Zone Management Trust Fund

**Section 2**

Exempts from termination the following trust funds that meet the criterion in s.19(f), Art. III of the State Constitution:

**Executive Office of the Governor**

- Administered Funds Trust Fund

**Department of Transportation**

- Central Florida Beltway Trust Fund
- Everglades Parkway Construction Trust Fund
- Turnpike Renewal and Replacement Trust Fund
- Turnpike General Reserve Trust Fund
- Turnpike Bond Construction Trust Fund
- Jacksonville Transportation Authority Project Construction Trust Fund
- Jefferson County 1992 Project Construction Trust Fund
- State Transportation Trust Fund
- Right-of-Way Acquisition and Bridge Construction Trust Fund

**Department of Highway Safety and Motor Vehicles**

International Registration Clearing Trust fund  
License Tax Collection Trust Fund  
Motor Vehicle License Clearing Trust Fund  
Security Deposits Trust Fund

**Section 3**

Repeals subsection 445.0325 (5), Florida Statutes, which terminates the Welfare Transition Trust Fund on July 1, 2005, unless it is terminated sooner. This trust fund is proposed for recreation in Senate Bill 1028.

**Section 4**

Revises s. 252.373, F.S., to allow for the allocation of funds appropriated to the Emergency Management, Preparedness, and Assistance Trust Fund for the implementation of state and local emergency management programs, including administration, training, and operations to be established in the General Appropriation Act.

**Section 5**

Revises s. 120.55 F.S., to allow fee revenue supporting the publication and distribution of the Florida Administrative Weekly to be administered through the Records Management Trust Fund.

**Section 6**

Subsection (1) of section 443.211, F.S., is amended to include language that directs the Agency to deposit “any funds collected for enhanced, specialized, or value-added labor market information services” in the Employment Security Administration Trust Fund. This change gives the Agency the authority to deposit these funds on an on-going basis.

**Section 7**

Revises s. 322.08, F.S., to provide exemptions to the Service Charge to General Revenue for specified voluntary contributions held in a fiduciary capacity by the state.

**IV. Constitutional Issues:****A. Municipality/County Mandates Restrictions:**

None.

**B. Public Records/Open Meetings Issues:**

None.

**C. Trust Funds Restrictions:**

None.

D. Other Constitutional Issues:

**V. Economic Impact and Fiscal Note:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

C. Government Sector Impact:

Current state operations will be unaffected by the exemption or termination of the enumerated trust funds. The bill should increase efficiency and provide flexibility while ensuring legislative intent.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Amendments:**

None.

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This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.

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