

HOUSE OF REPRESENTATIVES TRUST FUND RE-CREATION STAFF ANALYSIS

BILL #: HB 747 Citizen Soldier Matching Grant Trust Fund
SPONSOR(S): Seiler and others
TIED BILLS: HB 691 w/ CS **IDEN./SIM. BILLS:** SB 74

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Military & Veteran Affairs Committee</u>	<u>8 Y, 0 N</u>	<u>Marino</u>	<u>Carter</u>
2) <u>Economic Development, Trade & Banking Committee</u>	<u>12 Y, 0 N</u>	<u>Sheheane</u>	<u>Carlson</u>
3) <u>Transportation & Economic Development Appropriations Committee</u>	<u></u>	<u></u>	<u></u>
4) <u>State Administration Council</u>	<u></u>	<u></u>	<u></u>
5) <u></u>	<u></u>	<u></u>	<u></u>

I. SUMMARY

This bill creates the Citizen Soldier Matching Grant Trust Fund under the Agency for Workforce Innovation. The revenue for this trust fund will be appropriated by the Legislature for the purpose of awarding matching grants to private sector employers that provide wages to employees serving in the United States Armed Forces Reserves or the Florida National Guard while those employees are on federal active duty.

Section 19(f)(1) of Article III of the State Constitution maintains that no trust fund shall be created without a three-fifths vote of the memberships in both houses of the Legislature. Also, the bill creating the trust fund must not be part of another substantive bill.

The trust fund created in this bill will be terminated, in accordance with s. 19(f)(2) of Article III of the State Constitution, four years after its effective date. This bill also provides for review of the trust fund prior to its termination pursuant to s. 215.3206, F.S.

Finally, this bill shall take affect July 1, 2005, if HB 691 or similar legislation creating the Citizen Soldier Matching Grant Trust Fund goes into effect.

There is no fiscal impact on state or local governments because the purpose of this bill is only to create the trust fund.

II. SUBSTANTIVE ANALYSIS

A. PRESENT SITUATION:

1. MAJOR STATUTES THAT CONTROL THE TRUST FUND:

Section 19(f) of Article III of the State Constitution provides:

- Trust funds may only be created by law with a three-fifths vote of the membership of each house of the legislature; and
- The trust fund created must pass in a bill that contains no other substantive issues.

The trust fund in this bill is created pursuant to paragraph (2) of this subsection which terminates the trust fund four years after the effective date. All cash balances and income of this trust fund abolished under this subsection shall be deposited into the general revenue fund.

Section 215.3206, F.S., provides specific review requirements prior to the trust fund's termination. Specific to the trust fund created in this bill, the Governor and the Agency for Workforce Innovation shall recommend to the President of the Senate and the Speaker of the House of Representatives whether the trust fund should be allowed to terminate or should be re-created. Each recommendation shall be based on a review of the purpose and use of the trust fund and a determination of whether the trust fund will continue to be necessary. A recommendation to re-create the trust fund may include suggested modifications to the purpose, sources of receipts, and allowable expenditures for the trust fund. A recommendation from the Governor shall be made as part of the recommended budget presented to the Legislature pursuant to s. 216.162.

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

The purpose of this trust fund is to award matching grants to private sector employers that provide wages to employees serving in the United States Armed Forces Reserves or the Florida National Guard while those employees are on federal active duty. House Bill 691, which links with this bill and determines its effective date, adds that each grant shall be awarded to reimburse the employer for not more than one-half of the employee's wages to an employee who is a resident of Florida for the actual period of federal active duty.

3. MAJOR SOURCES OF REVENUE FOR THE FUND:

The source of revenues for this fund shall be moneys appropriated by the Legislature.

4. TOTAL PROJECTED RECEIPTS INTO THE FUND AND CURRENT YEAR APPROPRIATIONS FROM THE FUND:

The bill provides that monies credited to the fund shall be those appropriated by the Legislature to award matching grants under the grant program created in House Bill 691.

B. EFFECT OF PROPOSED CHANGES:

This bill creates the Citizen Soldier Matching Grant Trust Fund under the Agency for Workforce Innovation. The revenue for this trust fund will be appropriated by the Legislature for the purpose of awarding matching grants to private sector employers that provide wages to employees serving in the United States Armed Forces Reserves or the Florida National Guard while those employees are on federal active duty.

The trust fund created in this bill will be terminated, in accordance with s. 19(f)(2), Art. III of the State Constitution, four years after its effective date (if the bill it is tied to, HB 691, or similar legislation creating the Citizen Soldier Matching Grant Trust Fund, goes into effect on its proposed effective date of July 1, 2005) on July 1, 2009.

This bill also provides for review of the trust fund prior to its termination pursuant to s. 215.3206, F.S.

Finally, this bill shall take effect July 1, 2005, if HB 691 or similar legislation creating the Citizen Soldier Matching Grant Trust Fund goes into effect.

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. The bill creates a state trust fund with appropriations to the trust fund dependent upon legislative action.

IV. COMMENTS

The bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds. This bill does not reduce the percentage of a state tax shared with counties or municipalities. This bill does not reduce the authority that municipalities have to raise revenues.

There does not appear to be any constitutional issues with this bill.

V. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

Not Applicable