

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.)

Prepared By: General Government Appropriations Committee

BILL: CS/SB 818

INTRODUCER: Committee on General Government Appropriations and Senator Clary

SUBJECT: Distributions from the Fuel Tax Collection Trust Fund

DATE: March 15, 2006

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	DeLoach/Proctor	Hayes	GA	Fav/CS
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This bill amends section 206.9945, Florida Statutes, modifying the transfer of funds from the Fuel Tax Collection Trust Fund within the Department of Highway Safety and Motor Vehicles. The bill changes the fuel tax distribution by decreasing the transfer of funds to the Inland Protection Trust Fund and increasing the distribution to the Florida Coastal Protection Trust Fund. The Inland Protection and the Coastal Protection trust funds are within the Department of Environmental Protection (department).

II. Present Situation:

The Florida Coastal Protection Trust Fund (CPTF) was created in s. 376.11, F.S., to provide immediate financial resources for cleanup and rehabilitation after a pollutant discharge, to prevent further damage by the pollutant, and to pay for damages, cleanup and restoration of waterfowl, wildlife, and other natural resources. In addition, the fund supports marine law enforcement at the Fish and Wildlife Conservation Commission (FWC) and emergency cleanup response teams at the Department of Environmental Protection for the purpose of cleaning oil and other toxic materials from coastal waters.

Revenues to support activities funded from the CPTF include penalties, judgments, damages recovered pursuant to s. 376.121, F.S.; pollutant excise tax revenues levied and collected pursuant to s. 206.9935 (1), F.S.; the tax on commercial motor vehicles levied pursuant to s. 207.003, F.S., and distributed pursuant to s. 206.9945 (1) (a), F.S.; and interest earnings. Estimated revenues for the 2005-2006 fiscal year total \$7.7 million and include \$67,000 from the commercial motor vehicle tax distribution.

Beginning in the 2003-2004 fiscal year, revenues were insufficient to support ongoing activities in the CPTF. The 2003-2004 General Appropriations Act eliminated the Derelict Vessel Removal program (\$366,311) at the FWC, and \$565,000 in budget authority was transferred from the CPTF to another FWC trust fund in order to continue law enforcement activities at the same level of funding. The 2004-2005 General Appropriations Act further reduced the CPTF appropriations at the FWC and the DEP by \$2.5 million due to insufficient recurring revenue to support ongoing activities. Other available agency trust fund revenues were used to supplant this shortfall.

For the 2005-2006 fiscal year, the recurring budget from the CPTF is \$8.4 million while recurring revenues is \$7.4 million. Without further reductions or transfers, the fund is projected to be in deficit in the coming years.

The Inland Protection Trust Fund (IPTF) was created in s. 376.3071, F.S., to serve as a repository of funds for environmental cleanup of inland contamination related to underground storage tanks of petroleum products. Authorized uses of the fund include investigative and assessment activities; restoration or replacement of potable water supplies; cleanup and rehabilitation; maintenance and monitoring of contaminated sites.

Revenues to support the activities funded from the Inland Protection Trust Fund include: registration fees pursuant to s. 376.303 and 376.3072, F.S., for every in-ground or stationary above-ground petroleum storage tank having a capacity of 550 or more gallons; excise taxes on petroleum products pollutants in accordance with s. 206.9935 (3), F.S.; the commercial motor vehicle tax levied pursuant to s. 207.003, F.S., and distributed pursuant to s. 206.9945 (3), F.S.; interest earnings not to exceed \$10 million from the Coastal Protection Trust Fund when needed pursuant to s. 376.11, F.S.; and interest earnings.

Total revenues for the Inland Protection Trust Fund are estimated to be \$227.2 million which includes \$2.6 million from the commercial motor vehicle tax distribution for the 2005-2006 fiscal year. The recurring revenues deposited into the fund have been increasing at an average rate of 4 percent over the last three years.

III. Effect of Proposed Changes:

This bill amends s. 206.9945, F.S., and transfers the current commercial motor vehicle tax revenues distributed to the Inland Protection Trust Fund to the Florida Coastal Protection Trust Fund.

This change will increase the amount of the commercial motor vehicle tax revenue distributed to the Florida Coastal Protection Trust Fund by an estimated \$2.7 million on a recurring basis. The same amount will be decreased from the Inland Protection Trust Fund.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

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

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The bill provides for an estimated \$2.7 million decrease in revenue to the Inland Protection Trust Fund and an increase of the same estimated amount to the Florida Coastal Protection Trust Fund in the Department of Environmental Protection. Due to the increasing growth of revenues in the Inland Protection Trust Fund, there will be no reduction to any programs due to this change in funding. This transfer of revenue will allow the Florida Coastal Protection Trust Fund to continue supporting law enforcement activities at the Fish and Wildlife Conservation Commission and emergency response activities at the Department of Environmental Protection.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Summary of Amendments:

None.

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