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: Justice Appropriations Committee

BILL: PCS 828

INTRODUCER: Senator Crist

SUBJECT: Justice Systems

DATE: March 29, 2006 REVISED:

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Hendon	Sadberry	JA	**Pre-meeting**
2.				
3.				
4.				
5.				
6.				

I. Summary:

The bill amends s. 29.008 (4), F.S., relating to county funding obligations for the state court system. Section 14, Article V, of the Florida Constitution and s. 29.008, F.S., to specify the county responsibilities for funding the state court system. Current law requires the Department of Revenue to hold back revenue sharing for those counties that do not meet their funding obligations each year. Counties are required to increase spending 1.5 percent over the prior year for the specified items. The bill revises this process to require the Department of Financial Services to review county expenditures and advise the Legislature when county expenditures do not increase 1.5 percent over the prior year. The Legislature may direct the Department of Revenue to hold back revenue sharing for those counties. The bill authorizes the Supreme Court Chief Justice, the respective state attorney, or respective public defender to advise the Legislature if they believe that a county is not meeting their funding obligations.

This bill substantially amends s. 29.008 (4) of the Florida Statutes.

II. Present Situation:

Section 14, Article V, of the Florida Constitution and s. 29.008, F.S., specify the state and county responsibilities for funding the state court system. The appellate courts (Supreme Court and the District Courts of Appeal) are fully funded by the state. The trial courts (circuit and county courts) are jointly funded by the state and counties. Counties are required to fund facilities, security, and communications, including information technology.

In order to ensure that counties satisfy their funding obligations, the Legislature passed chapter 2004-265, section 28, to provide that the Department of Revenue must hold back certain revenue sharing receipts distributed pursuant to part II of chapter 218, F.S., from any county not in compliance with the funding obligations of s. 29.008, F.S. To be in compliance, counties must expend funds in an amount on their responsibilities that is 1.5 percent over that amount spent in the prior year. A base year is defined as the county fiscal year 2002-03.

A preliminary analysis by the Department of Revenue found that 40 of the 67 counties were not in compliance with the requirements to increase their budgets. The amount of revenue sharing that would be held back ranged from $1.66 for Calhoun County to $12.6 million for Nassau County. One of the more common areas that counties did not annually increase their expenditures was in facilities. In the case of Nassau County, they spent $12.3 million during the base year (county fiscal year 2002-2003) on a large courthouse project. Two years later, Nassau County spent $62,911 on facilities instead of $12.6 million required by law.

III. Effect of Proposed Changes:

Section 1. Amends s. 29.008 (4) (a), F.S., to require the Department of Financial Services to review county expenditure reports to compare expenditures on items specified as county responsibilities to the amounts spent on these items in the prior year. If the amount spent is not 1.5 percent greater for each item, the department shall advise the President of the Senate and the Speaker of the House. This will allow the Legislature to review the circumstances of any county not increasing expenditures by the required 1.5 percent. The Legislature can direct the Department of Revenue to hold back revenue sharing receipts distributed pursuant to part II of chapter 218, F.S., from any county not in compliance with the funding obligations of s. 29.008, F.S.

If the county has increased spending on the items specified as county responsibilities by 1.5 percent over the prior year and the Chief Justice, respective state attorney, or public defender, still believe the county has not met its funding obligations under this section, then they can advise the President of the Senate and the Speaker of the House.

Section 2. Provides that this act shall take effect July 1, 2006.

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:

Local Government. County revenue sharing will not be automatically withheld for those counties that do not spend 1.5 percent more each year for the county requirements of s. 29.008, F.S. The Legislature will instead consider these cases each year.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Summary of Amendments:

None.