

The Florida Senate
PROFESSIONAL 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: Health Policy Committee

BILL: SB 1654

INTRODUCER: Senators Gaetz, Rich and others

SUBJECT: The Health Care Clinic Indigent Care Trust Fund

DATE: March 24, 2007 REVISED: _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|---------|----------------|-----------|------------------|
| 1. | Bedford | Wilson | HP | Favorable |
| 2. | _____ | _____ | FT | _____ |
| 3. | _____ | _____ | GA | _____ |
| 4. | _____ | _____ | _____ | _____ |
| 5. | _____ | _____ | _____ | _____ |
| 6. | _____ | _____ | _____ | _____ |

I. Summary:

This bill creates the Health Care Clinic Indigent Care Trust Fund (fund) within the Department of Revenue (department) effective July 1, 2007. This fund is established as a depository for moneys contributed by corporate taxpayers and is to be used to make disbursements to qualifying health care clinics that provide medical care to indigent persons. The fund will be administered by a board of directors, with the assistance of the department. The fund will terminate on July 1, 2011, unless terminated sooner. This bill is linked to SB 1646.

The bill creates s. 220.1876, F.S.

II. Present Situation:

The Creation of a Trust Fund

Section 19(f), Article III of the State Constitution governs the creation of trust funds. This constitutional provision 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 Legislature. This provision further specifies that a trust fund must be created in a separate bill for that purpose only. Newly created trust funds terminate not more than four years after the effective date of the act authorizing the creation of the trust fund, unless the Legislature sets a shorter time period.

Section 215.32, F.S., requires all moneys received by the state to be deposited in the State Treasury unless specifically provided otherwise by law. Moneys received by the state must be deposited in and accounted for by the Chief Financial Officer within the General Revenue Fund, trust funds, or the Budget Stabilization Fund. Trust funds consist of moneys received by the

state, which are segregated for a purpose authorized by law. The state agency or branch of state government receiving or collecting such moneys is responsible for their proper expenditure as provided by law.

Senate Bill 1646

Senate Bill 1646 creates s. 220.1875, F.S., to provide an income tax credit for corporate taxpayers who make contributions to provide relief to qualifying health care clinics that provide a disproportionate share of medical care for indigent persons. The bill specifies that contributions may be submitted at any time to the Department of Revenue (department) for deposit into the Health Care Clinic Indigent Care Trust Fund. The department will account for all contributions made to the trust fund and will monitor the disbursements made to qualifying health care clinics.

The bill specifies that corporate taxpayer contributions are accepted into the fund in the order contributions are received, however, the trust fund is subject to an aggregate limit of \$50 million. In the event that a submitted contribution causes the fund to exceed its aggregate limit, the department is directed to advise the affected taxpayer to either have the contribution returned to the taxpayer or held by the department until such time as fund balances allow for the full deposit of the contribution.

The trust fund is located within the department and is administered by a nine-member board of directors. The bill specifies the board's duties and responsibilities, which include but are not limited to the review and approval of applications from qualifying health care clinics for the disbursement of trust fund monies. The bill stipulates that no single health care clinic may receive more than \$2.5 million in total assistance from the fund in a given year. Applications received at the end of the fiscal year can be carried over and determined in the next fiscal year. The bill provides that the board shall provide the Governor with an initial report by February 1, 2008, regarding implementing the corporate taxpayer credit initiative. Thereafter, the board is required to provide the Governor with an annual report summarizing the total annual contributions to the fund and the annual disbursement of funds to qualifying health care clinics, identifying each clinic and the amount disbursed to the clinic.

III. Effect of Proposed Changes:

Section 1. Creates the Health Care Clinic Indigent Care Trust Fund within the Department of Revenue. The fund will be administered by a board of directors, with the assistance of the department as provided in s. 220.1875, F.S. (created in SB 1646). The purpose of the fund is to receive contributions from corporate taxpayers for the tax credit established by s. 220.1875, F.S., and to make disbursements to qualifying health care clinics that provide medical care to indigent persons as provided by s. 220.1875, F.S. Any balance in the fund at the end of the year will remain in the fund. Unless terminated sooner, the fund will terminate on July 1, 2011. Prior to the scheduled termination, the fund will be reviewed.

Section 2. Provides the effective date is July 1, 2007.

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

The provisions of this bill have no impact on municipalities and the counties under the requirements of Article VII, Section 18 of the Florida Constitution.

B. Public Records/Open Meetings Issues:

The provisions of this bill have no impact on public records or open meetings issues under the requirements of Article I, Section 24(a) and (b) of the Florida Constitution.

C. Trust Funds Restrictions:

The bill creates a trust fund. The bill meets the requirements of section 19(f), Article III of the Florida Constitution. The bill will require a three-fifths vote of the membership of each house of the Legislature to become law.

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

None.

B. Private Sector Impact:

This legislation has no fiscal impact on the private sector. The bill establishes a trust fund to be used as a depository for corporate taxpayer contributions.

C. Government Sector Impact:

According to the Department of Revenue the projected receipts and current year appropriations from the fund is indeterminate.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Summary of Amendments:

None.

This Senate Professional Staff Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
