HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #:   HB 7049   PCB GEAC 07-19   Operations TF/DOR
SPONSOR(S): Government Efficiency & Accountability Council and Grant
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
Orig. Comm.: Government Efficiency & Accountability Council	13 Y, 0 N	Levin	Cooper
1) Policy & Budget Council			
2)			
3)			
4)			
5)			

SUMMARY ANALYSIS

This bill creates the Operations Trust Fund within the Department of Revenue, effective July 1, 2008. This trust fund is established to be used for the general operations of the department that are funded by funds collected for the administration of certain taxes.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Not applicable.

B. EFFECT OF PROPOSED CHANGES:

Present situation:

Section 19(f), Art. III of the State Constitution requires that trust funds be created by a three-fifths vote of the membership in each house and be in a separate bill for the sole purpose of creating that trust fund. The Constitution also requires that all newly created agency trust funds terminate every four years unless recreated.

Section 215.3208(1), F.S., provides that, in order to implement s. 19(f), Art. III of the State Constitution, a schedule for review of trust funds be included in the legislative budget instructions developed pursuant to s. 216.023, F.S. The trust funds in the Department of Revenue are scheduled for review this year.

In order to meet accounting standards established by the Government Accounting Standards Board, s. 215.32, F.S., requires that agencies have trust funds for day-to-day operations. One of the required trust funds is an operations trust fund. The department currently does not have an operations trust fund. With its scheduled review of trust funds, the department has requested the creation of this trust fund to comply with s. 215.32, F.S.

Currently, revenues are deposited into designated clearing accounts for distribution. The department has statutory authority to use a percentage of those revenues to administer the General Tax Administration Program. The department distributes the appropriate amount from each revenue source and deposits it into the Administrative Trust Fund.

Proposed changes:

The creation of this trust fund will allow the department to receive funds to be used for operations within the General Tax Administration (GTA) program. The GTA program is responsible for remittance and distribution of multiple taxes in Florida. Under Florida Statutes, the department is authorized to recoup its operating costs on certain taxes. This trust fund will serve as the operating fund depository for those funds.

The creation of this trust fund will align agency accounts with the requirements of s. 215.32, F.S.

The trust fund will terminate in four years, on July 1, 2012, pursuant to s. 19 (f)(2), Art. II of the State Constitution, unless recreated by the Legislature.

C. SECTION DIRECTORY:

Section 1. Creates the Operations Trust Fund within the Department of Revenue for use as a depository for funds to be used for program operations funded by program revenues. Requires termination of the trust fund on July 1, 2012, unless re-created.

Section 2. Provides an effective date of July 1, 2008.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

    1. Revenues:

        None.

    2. Expenditures:

        None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

    1. Revenues:

        None.

    2. Expenditures:

        None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

    None.

D. FISCAL COMMENTS:

    None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

    1. Applicability of Municipality/County Mandates Provision:

        Not applicable

    2. Other:

        This bill creates a new trust fund and must pass the Legislature by a three-fifths vote of the membership of each house to become law pursuant to s. 19 (f), Article III of the State Constitution.

B. RULE-MAKING AUTHORITY:

    Not required.

C. DRAFTING ISSUES OR OTHER COMMENTS:

    None.

D. STATEMENT OF THE SPONSOR

    No statement submitted.

IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES

None.