

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the General Government Appropriations Committee

BILL: CS/SB 24-C

INTRODUCER: General Government Appropriations Committee and Senator Alexander

SUBJECT: Trust Funds

DATE: October 3, 2007 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Kynoch</u>	<u>DeLoach</u>	<u>GA</u>	<u>Fav/CS</u>
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

Please see Section VIII. for Additional Information:

- | | | |
|------------------------------|-------------------------------------|---|
| A. COMMITTEE SUBSTITUTE..... | <input checked="" type="checkbox"/> | Statement of Substantial Changes |
| B. AMENDMENTS..... | <input type="checkbox"/> | Technical amendments were recommended |
| | <input type="checkbox"/> | Amendments were recommended |
| | <input type="checkbox"/> | Significant amendments were recommended |

I. Summary:

This bill redirects to the General Revenue Fund a portion of annual distributions of documentary stamp tax collections from the Conservation and Recreation Lands (CARL), the Invasive Plant Control, and the Water Protection and Sustainability Program Trust Funds within the Department of Environmental Protection (DEP), and the Marine Resources Conservation Trust Fund within the Fish and Wildlife Conservation Commission (FWCC).

For the CARL Trust Fund, the Fiscal Year 2007-2008 percentage is reduced from 4.2% to 3.87%. The reduced percentage of documentary stamp tax revenues to the trust fund redirects \$7 million to the General Revenue Fund in the current year. For Fiscal Year 2008-2009, the percentage is further revised to 3.52%, which increases the General Revenue Fund by an additional \$8 million. There is no revenue impact to the State Game Trust Fund within the Fish and Wildlife Conservation Commission for management of non-CARL lands.

For the Invasive Plant Control Trust Fund, the bill reduces the fund's statutory cap for the receipt of documentary stamp tax funds. The Fiscal Year 2007-2008 cap is reduced from \$36.1 million to \$34.25 million, redirecting \$1.85 million to the General Revenue Fund in the current year. For

Fiscal Year 2008-2009, the cap is further reduced to \$32.25 million, thereby increasing the General Revenue Fund by an additional \$2 million.

For the Water Protection and Sustainability Program Trust Fund, the bill reduces the current \$100 million in documentary stamp tax funds to \$80 million. Further, the bill amends the distribution percentages for these funds as follows:

	Current		Revised	
	Percent of \$100 million	Amount	Percent of \$80 million	Amount
Alternative Water Supply	60.0%	\$60 million	65.0%	\$52 million
Total Maximum Daily Loads	20.0%	\$20 million	22.5%	\$18 million
Surface Water Improvement and Management Activities	10.0%	\$10 million	0.0%	\$0
Disadvantaged Small Community Wastewater Grant Program	10.0%	\$10 million	12.5%	\$10 million
Totals:	100.0%	\$100 million	100.0%	\$80 million

For the Marine Resources Conservation Trust Fund, the bill reduces \$1.15 million of documentary stamp tax revenues for the Oceanaria Reimbursement Assistance Program and allows redirection of these funds to the General Revenue Fund.

For Fiscal Year 2007-2008, the bill redirects a total of \$30 million in documentary stamp tax funds to the General Revenue Fund. For the 2008-2009 fiscal year, an additional \$10 million is redirected to the General Revenue Fund.

The bill amends sections 201.15 and 403.890, Florida Statutes.

The bill repeals section 370.0603(3)(a), Florida Statutes.

II. Present Situation:

The documentary stamp tax levied under ch. 201, F.S., provides revenue to the General Revenue Fund and various trust funds. Section 201.15, F.S., provides for the distribution of the documentary stamp tax revenues.

The documentary stamp tax levied under ch. 201, F.S., consists of two taxes imposed on different bases at different tax rates. The tax on deeds and other documents related to real property is at the rate of 70 cents per \$100. Certificates of indebtedness, promissory notes, wage assignments, and retail charge account agreements are taxed at 35 cents per \$100. Revenue from the documentary stamp tax is divided between the General Revenue Fund and various trust funds. These funds are primarily used to acquire and manage public lands or support affordable housing.

Current estimates of the statutory distributions are as follows:

Documentary Stamp Tax Forecast Distributions by Fund (Millions of Dollars) August 2007			
Percent	Statutory Percent Distributions	FY 2007-08	FY 2008-09
	Total Documentary Stamp Tax Collections	2620.0	2695.5
7.00%	Less: General Revenue Service Charge	183.4	188.7
	Net Available for Distribution	2436.6	2506.8
62.63%	Distribution for General Revenue and Debt Service	1526.0	1570.0
	P2000/Florida Forever/Everglades Restoration Debt Service	398	417
	Ecosystem Management & Restoration Trust Fund - Beach Management	30	30
	Marine Resources Conservation Trust Fund - Manatee Rehabilitation and Training	2	2
	General Inspection Trust Fund - Oyster Management & Restoration	0.3	0.3
	State Transportation Trust Fund	541.75	541.75
	Water Protection and Sustainability Program Trust Fund	100	100
	Dept. of Community Affairs Grants and Donations Trust Fund	3.25	3.25
	Subtotal Other Distributions	1075.3	1094.3
	General Revenue by Formula	450.7	475.7
	General Revenue due to Trust Fund Caps - ch. 2005-92, L.O.F.	326.9	347.0
	Total General Revenue	777.6	822.7
	DOR Administrative Costs (Administrative Trust Fund)	10.7	11.5
	Available for Other Distributions To Other Trust Funds	899.9	925.3
7.56%	Land Acquisition Trust Fund (LATF)	84.9	85.43
1.94%	LATF - Coastal Lands Acquisition & Debt Service	26	26
4.20%	Water Management Lands Trust Fund	60.5	60.79

3.80%	Conservation and Recreation Lands (CARL) Trust Fund	91.5	94.1
0.40%	State Game Trust Fund (from CARL) - Land Management	9.6	9.9
2.28%	Invasive Plant Control Trust Fund	36.1	36.26
0.50%	State Game Trust Fund – Lake Restoration 2020 Program	9.3	9.34
0.25%	Water Quality Assurance Trust Fund	6.02	6.19
0.25%	General Inspection Trust Fund	6.02	6.19
3.77%	State Housing Trust Fund	53.5	53.76
3.77%	Local Government Housing Trust Fund	53.5	53.76
1.08%	State Housing Trust Fund	17	17.08
7.58%	Local Government Housing Trust Fund	119	119.53
37.37%	Subtotal Statutory % Distributions	572.98	578.33

History of Documentary Stamp Tax Rates and Distributions

Florida first enacted a documentary stamp tax in 1931, at the rate of ten cents per \$100 of consideration. In 1957, the tax on documents relating to realty (mainly deeds) was raised to 20 cents, and the tax has been assessed at two separate rates on deeds and notes ever since. Major rate increases occurred in 1957, 1963, 1979, 1981, 1985, 1987, 1990, 1991, and 1992. In 1983, the Legislature authorized Dade County to levy a discretionary surtax on deeds of up to 45 cents for each \$100, except for deeds on single family residences.

Until 1967, all proceeds from documentary stamps went to the General Revenue Fund. In that year, a surtax was imposed on documents relating to realty, with the proceeds going to the Land Acquisition Trust Fund. The surtax was repealed in 1979 and replaced with an increase in the documentary stamp tax on deeds, and the Land Acquisition Trust Fund was given a distribution from this tax. Since 1979, increases in the documentary stamp tax rate have been used to fund several programs, including acquisition of environmentally sensitive land, funding state infrastructure, and funding affordable housing. In 1990, the General Revenue Service Charge was extended to the Documentary Stamp Clearing Trust Fund, among other trust funds, which reduced all distributions from this fund by seven percent on a recurring basis. Chapter 90-217, L.O.F., authorized a portion of documentary stamp tax proceeds which had been allocated to general revenue to be used for Preservation 2000 debt service. By 2000, nine Preservation 2000 bond series had been authorized by the Legislature. Pursuant to ch. 92-317, L.O.F., effective July 1, 1995, the distribution to the General Revenue Fund was reduced by 8.66 percentage points and the distribution to the State Housing Trust Fund was increased by 8.66 percentage points. Chapter 98-311, L.O.F., provided that documentary stamp tax receipts shall be deposited in the Ecosystem Management and Restoration Trust Fund for the purpose of funding erosion control; beach preservation, restoration, and renourishment; and storm and hurricane protection. This money would otherwise have been deposited in the General Revenue Fund.

In 1999, the Legislature authorized a portion of documentary stamp tax proceeds which had been allocated to general revenue to be used for Florida Forever debt service. Additional debt service

is limited to \$30 million in each fiscal year for ten years, and total annual debt service may not exceed \$300 million. The 1999 legislation also reduced the documentary stamp distribution to the Water Management Lands Trust Fund and the Conservation and Recreation Lands Trust Fund and created distributions to the State Game Trust Fund, the Aquatic Plant Control Trust Fund, the Department of Environmental Protection Water Quality Assurance Trust Fund, and the Department of Agriculture and Consumer Services General Inspection Trust Fund. In 2000, the Legislature provided that \$2 million shall be paid into the Marine Resources Conservation Trust Fund annually from the documentary stamp general revenue distribution. Chapter 2002-261, L.O.F., provided for a portion of the documentary stamp tax collections to be used to pay the debt service on Everglades Restoration Bonds.

In the 2003 and 2004 General Appropriations Acts, appropriations for the various programs supported by statutory distributions of documentary stamp tax revenues were held well below the amounts estimated to be available. Unappropriated distributions were redirected to the working capital fund and became available for appropriation from the General Revenue Fund. Chapter 2005-92, L.O.F., capped the amount of documentary stamp tax revenues for various trust funds and redirected the amounts in excess of the cap to the General Revenue Fund.

The Fish and Wildlife Conservation Commission has managed the Oceanaria Reimbursement Assistance Program for rescued, rehabilitated, and released Florida manatees since 1991. Since July 2000, \$1.15 million annually has been available to reimburse the three contracted and federally permitted manatee rehabilitation facilities in Florida: Lowry Park Zoo, Miami Seaquarium, and Sea World Florida. These facilities are involved in the rescue and full-time acute-care, veterinarian-based rehabilitation of manatees.

Currently, the Water Protection and Sustainability Program Trust Fund in the DEP receives \$100 million each fiscal year from documentary stamp tax revenues. The funds are distributed as follows:

<u>Program</u>	<u>Percent</u>
Alternative Water Supply	60 %
Total Maximum Daily Loads	20 %
Surface Water Improvement and Management Activities	10 %
Disadvantaged Small Community Wastewater Grant Program	10 %

III. Effect of Proposed Changes:

Section 1 amends s. 201.15, F.S., regarding the distribution of documentary stamp tax revenues. The distribution of funds is amended as follows:

- **Conservation and Recreation Lands Trust Fund**
 Fiscal Year 2007-2008 – Reduces the distribution percentage from 4.2% to 3.87%.
 Fiscal Year 2008-2009 – Reduces the distribution percentage from 3.87% to 3.52%.
- **Invasive Plant Control Trust Fund**
 Fiscal Year 2007-2008 – Reduces the cap from \$36.1 million to \$34.25 million.
- **Water Protection and Sustainability Program Trust Fund**

Fiscal Year 2007-2008 and thereafter – Reduces fund receipts from \$100 million to \$80 million.

- **Marine Resources Conservation Trust Fund**

Fiscal Year 2007-2008 and thereafter – Reduces fund receipts from \$2 million to \$850,000.

Section 2 amends s. 201.15(1)(d), F.S, regarding the distribution of documentary stamp tax revenues to the Invasive Plant Control Trust Fund. Beginning Fiscal Year 2008-2009 and thereafter, this section reduces the cap from \$34.25 million to 32.25 million.

Section 3 repeals s. 370.0603(3)(a), F.S., relating to the reimbursement of costs to permitted facilities involved in the rescue and full-time acute care veterinarian-based rehabilitation of manatees.

Section 4 amends s. 403.890, F.S., regarding the Water Protection and Sustainability Program. The distribution of funds is amended as follows:

	Current		Revised	
	Percent	Amount	Percent	Amount
Alternative Water Supply	60.0%	\$60 million	65.0%	\$52 million
Total Maximum Daily Loads	20.0%	\$20 million	22.5%	\$18 million
Surface Water Improvement and Management Activities	10.0%	\$10 million	0.0%	\$0
Disadvantaged Small Community Wastewater Grant Program	10.0%	\$10 million	12.5%	\$10 million
Totals:	100.0%	\$100 million	100.0%	\$80 million

Section 5 requires the DEP to reallocate the distribution of Water Protection and Sustainability Program funds in accordance with the revised distribution set forth in s. 403.890(2), F.S., in section 4 of the bill.

Section 6 provides the bill is effective upon becoming law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

For the current year, the bill redirects a total of \$30 million in documentary stamp tax funds to the General Revenue Fund. For the 2008-2009 fiscal year, an additional \$10 million is redirected to the General Revenue Fund.

The distribution of documentary stamp tax revenue is amended as follows:

- **Conservation and Recreation Lands Trust Fund**

Fiscal Year 2007-2008 – The revised distribution percentage redirects \$7 million to the General Revenue Fund.

Fiscal Year 2008-2009 – The revised distribution percentage redirects an additional \$8 million to the General Revenue Fund.

There is no revenue impact to the State Game Trust Fund within the Fish and Wildlife Conservation Commission for management of non-CARL lands.

- **Invasive Plant Control Trust Fund**

Fiscal Year 2007-2008 – The revised cap amount redirects \$1.85 million to the General Revenue Fund.

Fiscal Year 2007-2008 – The revised cap amount redirects an additional \$2 million to the General Revenue Fund.

- **Marine Resources Conservation Trust Fund**

Fiscal Year 2007-08 and thereafter – The revised cap amount redirects \$1.15 million to the General Revenue Fund.

Other than minimal operational efficiency reductions included in SPB 8008, appropriations for land management activities and the control of invasive exotic plants were not reduced. The CARL and Invasive Plant Control Trust Funds have sufficient cash balances to support current year and future appropriations. In addition, SPB 8008 eliminates the recurring \$1.15 million for the Oceanaria Reimbursement Assistance Program and provides non-recurring funds for the 2007-08 fiscal year.

- **Water Protection and Sustainability Program Trust Fund**

Fiscal Year 2007-2008 and thereafter – The revised amount redirects \$20 million to the General Revenue Fund.

The following appropriations are reduced in conformance with the revised distribution percentages set forth in Section 4 of the bill.

<u>Program</u>	<u>Current</u>	<u>Revised</u>
Alternative Water Supply	\$60 million	\$52 million
Total Maximum Daily Loads	\$20 million	\$18 million
Surface Water Improvement and Management Activities	\$10 million	\$0
Disadvantaged Small Community Wastewater Grant Program.	\$10 million	\$10 million

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:
 (Summarizing differences between the Committee Substitute and the prior version of the bill.)

The bill amends documentary stamp tax collection distribution percentages and caps in s. 201.15, F.S., and redirects, to the General Revenue Fund, a portion of annual distributions of documentary stamp tax collections from the Conservation and Recreation Lands (CARL), the Invasive Plant Control, and the Water Protection and Sustainability Program Trust Funds within the Department of Environmental Protection and the Marine Resources Conservation Trust Fund within the Fish and Wildlife Conservation Commission (FWCC).

For the CARL Trust Fund, the Fiscal Year 2007-2008 percentage is reduced from 4.2% to 3.87%. Beginning Fiscal Year 2008-2009, the percentage is further revised to 3.52%. There is no revenue impact to the State Game Trust Fund within the FWCC for management of non-CARL lands.

For the Invasive Plant Control Trust Fund, the Fiscal Year 2007-2008 statutory cap is reduced from \$36.1 million to \$34.25 million. Beginning Fiscal Year 2008-2009, the cap is further reduced to \$32.25 million.

For the Water Protection and Sustainability Program Trust Fund, the bill reduces the current \$100 million in documentary stamp tax funds to \$80 million. Further, the bill amends the distribution percentages for these funds in s. 403.890, F.S.

For the Marine Resources Conservation Trust Fund, the bill reduces \$1.15 million of documentary stamp tax revenues for the Oceanaria Reimbursement Assistance Program and repeals s. 370.0603(3)(a), F.S.

B. Amendments:

None.

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