

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

The bill does not appear to implicate any of the House Principles.

B. EFFECT OF PROPOSED CHANGES:

Present Situation

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

Currently, the WPSPTF in the Department of Environmental Protection receives \$100 million each fiscal year from documentary stamp tax collections. The \$100 million is distributed as follows:

- Sixty percent (currently a total of \$60 million) to the Department of Environmental Protection for the implementation of an alternative water supply program;
- Twenty percent (currently a total of \$20 million) for the implementation of best management practices and capital expenditures necessary for the implementation of the goals of the total maximum daily loads program. Of these funds, 85 percent shall be transferred to the credit of the Department of Environmental Protection Water Quality Assurance Trust Fund to address water quality impacts associated with nonagricultural nonpoint sources. Fifteen percent of these funds shall be transferred to the Department of Agriculture and Consumer Services General Inspection Trust Fund to address water quality impacts associated with agricultural nonpoint sources;
- Ten percent (currently a total of \$10 million) for surface water improvement and management activities;
- Ten percent (currently a total of \$10 million) for the Disadvantaged Small Community Wastewater Grant Program.

Section 403.890, F.S., provides that prior to the end of the 2008 Regular Session, the Legislature must review the distribution of funds under the Water Protection and Sustainability Program to determine if revisions to the funding formula are required and present recommendations to the Legislature proposing necessary changes, if any.

Effect of Proposed Change

This bill provides that the amounts distributed from documentary stamp tax collections to the WPSPTF in the Department of Environmental Protection shall be \$70 million in fiscal year 2007-2008 and \$60 million for each fiscal year thereafter.

The money will be distributed in the following manner:

- \$42.75 million in fiscal year 2007-2008 and \$37 million in each fiscal year thereafter to the Department of Environmental Protection for the implementation of an alternative water supply program;
- \$7.25 million in fiscal year 2007-2008 and \$3 million in each fiscal year thereafter for the implementation of best management practices and capital project expenditures necessary for the implementation of the goals of the total maximum daily loads program established in s.

403.067. Of these funds, in fiscal year 2007-2008, \$4.25 million must be transferred to the credit of the Department of Environmental Protection Water Quality Assurance Trust Fund to address water quality impacts associated with nonagricultural nonpoint sources. Also, of these funds, \$3 million dollars in fiscal year 2007-2008 and \$3 million dollars in each fiscal year thereafter must be transferred to the Department of Agriculture and Consumer Services General Inspection Trust Fund to address water quality impacts associated with agricultural nonpoint sources;

- \$10 million for surface water improvement and management activities; and
- \$10 million for the Disadvantaged Small Community Wastewater Grant Program.

The bill will reduce funds distributed to the WPSPTF by \$30 million in fiscal year 2007-2008 and by \$40 million for each fiscal year thereafter, and as a consequence will increase the General Revenue fund by the same amount.

C. SECTION DIRECTORY:

Section 1. Amends s. 201.15 (1)(d)2., F.S., to limit the distributions of proceeds from excise tax on documents to the WPSPTF.

Section 2. Amends s. 373.1961, F.S., revising the trust fund name.

Section 3. Amends s. 403.890, F.S., relating to the distribution of funds and revising trust fund name.

Section 4. Reenacting s. 403.891 (1), F.S., relating to the WPSPTF.

Section 5. Amends s. 403.8911, F.S., revising trust fund name and removing creation of trust fund contingency.

Section 6. Provides that the effective date of the bill is upon becoming law.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The bill will reduce funds proceeding from the excise tax on documents distributed to the WPSPTF by \$30 million in fiscal year 2007-2008 and by \$40 million in each fiscal year thereafter, and thereby increase General Revenue by the same amount.

2. Expenditures:

Expenditures from the recipient trust fund will be capped at \$70 million for fiscal year 2007-2008 and at \$60 million each fiscal year thereafter.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

As a result of decreasing the WPSPTF revenue by \$30 million in fiscal year 2007-2008 and by \$40 million each fiscal year thereafter, local governments may have a reduction of funds available for the purposes in s. 403.890, F.S.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

The bill will reduce funds distributed to the WPSPTF by \$30 million in fiscal year 2007-2008 and by \$40 million for each fiscal year thereafter. By reducing the funds in the WPSPTF, the General Revenue Fund will increase by \$30 million in fiscal year 2007-2008 and \$40 million in subsequent years.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

None.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

D. STATEMENT OF THE SPONSOR

No statement submitted.

IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES

N/A