

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 Commerce Committee

BILL: CS/SB 2712

INTRODUCER: Commerce Committee and Senator Fasano

SUBJECT: Building Florida's Future Revolving Trust Fund

DATE: March 25, 2008

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Pugh</u>	<u>Cooper</u>	<u>CM</u>	<u>Fav/CS</u>
2.	_____	_____	<u>TA</u>	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

CS/SB 2712 creates the Building Florida's Future Revolving Trust Fund to serve as a non-lapsing repository of funds to provide loan guarantees and other types of credit enhancements under the Building Florida's Future Revolving Loan Guarantee Program, to be created in CS/SB 2714.

The loan guarantees would be incentives to local governments engaged in certain economic development activities, including public-private partnerships.

CS/SB 2712 bill creates s. 288.0971, F.S.

II. Present Situation:

Section 19(f), Article III of the State Constitution requires that every trust fund be created or recreated by a three-fifths vote of the membership in each house of the Legislature in a separate bill for the sole purpose of creating that trust fund. The constitution also provides that all newly created trust funds terminate not more than 4 years after the initial creation unless re-created, except those that are exempted, such as trust funds that service state obligations.

III. Effect of Proposed Changes:

Section 1 creates s. 288.0971, F.S., the Building Florida's Future Revolving Trust Fund. The trust fund will serve as a non-lapsing revolving fund to provide loan guarantees or other credit

enhancements under the Building Florida's Future Revolving Loan Guarantee Program, to be created in CS/SB 2714.

Notwithstanding the provisions of s. 216.301, F.S., monies within the trust fund will not revert at the end of each fiscal year to the state's general fund, so that they will be available to carry out the purposes of the Building Florida's Future program. The program's purpose is to provide loan guarantees or other credit enhancements to local governments or private entities for the purpose of building or modernizing facilities or infrastructure needed to attract, retain, or expand Targeted Industries, generally defined in s. 288.106(1)(o), F.S., and more specifically identified by EFI.

Also, the trust fund is exempt from the termination provisions of s. 19(f)(2), Art. III, of the State Constitution, because it meets the criteria of s. 19(f)(3), Art. III, as a trust fund that meets the debt service requirements of the state.

Section 2 of the bill specifies that CS/SB 2712 will take effect July 1, 2008, contingent on the passage of SB 2714 or similar legislation during the 2008 regular session or any 2008 special session.

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:

CS/SB 2712 does not specify an appropriation for the trust fund, and neither does its companion, CS/SB 2714.

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.)

CS by Commerce Committee on March 25, 2008:

- Removed all references to loans, since the substantive program that will use the trust fund will offer only loan guarantees or other credit enhancements.
- Corrects the name of the linked substantive program to “Building Florida’s Future Revolving Loan Guarantee Program.”
- Amends contingent effective date to include the number of its companion bill, SB 2714.

- B. **Amendments:**

None.