

**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.)

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Prepared By: The Professional Staff of the Budget Subcommittee on General Government Appropriations

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BILL: SPB 7032

INTRODUCER: General Government Appropriations Subcommittee

SUBJECT: Trust Funds, Department of Financial Services

DATE: February 3, 2011

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Frederick	DeLoach	_____	_____
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

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**I. Summary:**

Section 215.3206, Florida Statutes, requires a legislative review of each of the trust funds in an agency subject to the four year review cycle. This bill provides for termination of the State Treasury Escrow Trust Fund and the Employee Refund Clearing Trust Fund within the Department of Financial Services.

This bill takes effect on July 1, 2011.

This bill does not substantially amend, create, or repeal any of the Florida Statutes.

**II. Present Situation:**

Review of trust funds is required by s. 215.3208, F.S., and s. 19(f), Art.III of the State Constitution. The Legislature, through the legislative budget instructions, has placed agencies on a review cycle to facilitate the review and recreation of trust funds. An analysis of the trust funds under the jurisdiction of the General Government Appropriations Subcommittee resulted in the following findings.

The State Treasury Escrow Trust Fund, FLAIR number 43-2-194, was historically used to hold escrow monies related to the transactions of state agencies. The trust fund provided accounts for assets held by the state in a trustee capacity as agent or fiduciary, thereby eliminating the need for costly private escrow accounts. The department has not used this trust fund in recent years. Currently, the Treasury Cash Deposit Trust Fund is being utilized to provide this service.

The Employee Refund Clearing Trust Fund, FLAIR number 43-2-194, was originally used as a clearing account for the deposit of salary overpayment refunds received from state employees until these funds could be transferred back to the fund of its original disbursement. The need for the Employee Refund Clearing Trust Fund was eliminated more than ten years ago as a result of the implementation of new processes for salary refunds. State agencies currently utilize the Bureau of State Payrolls on-line system for processing salary refunds.

The State Treasury Escrow Trust Fund and the Employee Clearing Trust Fund are currently inactive, and the department has requested termination of these trust funds.

### **III. Effect of Proposed Changes:**

This bill terminates the State Treasury Escrow Trust Fund, FLAIR number 43-2-622, and the Employee Refund Clearing Trust Fund, FLAIR number 43-2-194, within the Department of Financial Services, which are obsolete.

The bill provides an effective date of July 1, 2011.

### **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:**

The termination of the State Treasury Escrow Trust Fund and the Employee Refund Clearing Trust Fund will not affect state operations. By eliminating obsolete trust funds, these changes will provide more consistency across state agencies and improve compliance with the Governmental Accounting Standards Board Statement 34.

**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.)

None.

**B. Amendments:**

None.

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

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