

**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 Committee on Appropriations

BILL: SB 212

INTRODUCER: Senator Hays

SUBJECT: Fish and Wildlife Conservation Commission Trust Funds

DATE: January 22, 2013

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

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	DeLoach	Hansen	AP	<b>Pre-meeting</b>
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

**I. Summary:**

SB 212: (1) codifies in chapter 379, Florida Statutes, the Land Acquisition Trust Fund, the Invasive Plant Control Trust Fund, and the Save the Manatee Trust Fund, within the Fish and Wildlife Commission (commission); (2) authorizes repayment of cash transfers to the Federal Grants Trust Fund from other trust funds when the cash advances are no longer needed for cash flow purposes; (3) provides a less complex distribution of the interest earnings from the Lifetime Fishing and Wildlife Trust Fund (LFWTF) to the State Game Trust Fund and the Marine Resources Conservation Trust Fund; (4) deletes the requirement that the commission use an actuarial determination to allocate LFWTF interest income; and (5) deletes a requirement for the separate treatment of LFWTF interest income associated with the sale of lifetime licenses to persons under 16 years of age. The bill is effective July 1, 2013.

The bill has no fiscal impact on local governments or the private sector. There will be an increased distribution of interest earnings from the LFWTF proportionally to the State Game Trust Fund and the Marine Resources Conservation Trust Fund of approximately \$50,000 annually for fish and wildlife conservation programs.

This bill creates sections 379.213 and 379.214, Florida Statutes.

This bill amends the following sections of the Florida Statutes: 379.204, 379.207 and 379.212.

**II. Present Situation:**

Legislative review of each trust fund is required at least once every four years, by s. 215.3208, F.S. The review schedule is included in the legislative budget instructions developed

in accordance with s. 216.023, F.S. The trust funds within the Fish and Wildlife Conservation Commission are scheduled for review this year.

All of the commission's trust funds are established in ch. 379, F.S., except for the Land Acquisition Trust Fund, the Invasive Plant Control Trust Fund, and the Save the Manatee Trust Fund. These trust funds were previously created and re-created pursuant to the Florida Constitution, but have never been codified in Florida Statute.

The *Land Acquisition Trust Fund* was re-created effective July 1, 2005, in ch. 2005-10, L.O.F., to purchase lands for public hunting, fishing, and other outdoor recreation, as well as to lease, manage, and protect these lands. Revenue sources for this fund may include donations, grants, and development-of-regional-impact wildlife mitigation contributions.<sup>1</sup> For Fiscal Year 2012-2013, the Legislature appropriated \$3.7 million from the Land Acquisition Trust Fund within the commission.

The *Invasive Plant Control Trust Fund* was re-created effective July 1, 2004, within the Department of Environmental Protection, to achieve eradication or maintenance control of invasive exotic plants on public lands. The program was transferred to the commission in ch. 2008-150, L.O.F., and the trust fund was transferred to the commission in ch. 2009-65, L.O.F. Revenue sources include distributions from the documentary stamp tax, motor fuel taxes, and recreational and commercial vessel registration fees. For Fiscal Year 2012-2013, the Legislature appropriated \$27.8 million from the Invasive Plant Control Trust Fund within the commission.

The *Save the Manatee Trust Fund* was re-created effective July 1, 2005, in ch. 2005-14, L.O.F., to fund the research of manatees and other marine mammals, as well as aiding in their protection and preventing the endangerment of other species of marine mammals. Revenue sources include donations and distributions from vessel registration fees and manatee license plate fees.<sup>2</sup> For Fiscal Year 2012-2013, the Legislature appropriated \$3.5 million from the Save the Manatee Trust Fund within the commission.

The *Federal Grants Trust Fund* was created<sup>3</sup> in s. 379.204, F.S., for use as a depository for funds to be used for allowable grant activities funded by restricted program revenues. Revenue sources consist of grants and funding from the federal government, interest earnings, and cash advances originating from hunting and fishing license fees from other trust funds. The cash advances support the trust fund until the Commission receives reimbursement from the federal government. The repayment of the cash transfers is not addressed in statute.

For Fiscal Year 2012-2013, the Legislature appropriated \$78.5 million from the Federal Grants Trust Fund within the commission.

The *Lifetime Fish and Wildlife Trust Fund* (LFWTF) was created<sup>4</sup> to support state fish and wildlife conservation programs using interest earnings from the proceeds from the sale of

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<sup>1</sup> Sections 259.10521, 259.032, 375.0418, and 379.212, F.S.

<sup>2</sup> Sections 320.08058, 328.72, and 328.76, F.S.

<sup>3</sup> Ch. 2008-247, L.O.F.

<sup>4</sup> Ch. 91-78, L.O.F.

lifetime freshwater fishing licenses, saltwater fishing licenses, resident hunting licenses, and resident sportsman's licenses. The law specifies that only interest earnings accruing to the LFWTF may be expended and that no expenditure or disbursement is to be made from the principal of the LFWTF. The law also requires the commission to determine actuarially, on an annual basis, the amount of interest earned on the proceeds from the sales of lifetime licenses that may be disbursed. The law further specifies that interest income associated with the sale of licenses to persons under 16 years of age not to be expended or disbursed for any purpose until those licensees attain the age of 16 years.

The Auditor General conducted an operational audit of the commission's Office of Licensing and Permitting,<sup>5</sup> and found deficiencies in the procedures used to calculate the interest earnings available for expenditure from the LFWTF pursuant to law. The interest earnings which could have been disbursed were not calculated actuarially (the report indicated that the need for an actuarial determination of the amount of interest that could be distributed annually was unclear). In addition, the interest earned on the proceeds from lifetime licenses sold to persons under 16 years of age was not expended or disbursed after the licensees attained the age of 16 years, as required by law, and the amount of interest earnings associated with license fees paid by those licensees who had attained the age of 16 years could not be readily determined. The Auditor General recommended that the Legislature revise s. 379.207, F.S., to remove or clarify the requirement that the commission use an actuarial determination to allocate interest income, and to remove the separate treatment of interest income derived from the sale of lifetime licenses to persons under 16 years of age.

As of June 30, 2012, the principle balance of the LFWTF was \$11.8 million. The total interest earned during the 2011-2012 fiscal year was \$248,536, of which \$51,159 was retained as principle associated with license holders who are under 16 years of age.

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

To be consistent with the other trust funds within by the commission, the bill codifies in ch. 379, F.S., the Land Acquisition Trust Fund, the Invasive Plant Control Trust Fund, and the Save the Manatee Trust Fund.

Additionally, the bill amends s. 379.204, F.S., to authorize the repayment of transfers to the Federal Grants Trust Fund from other trust funds when the cash advances are no longer needed for cash flow purposes. This will permit adjustment of the amount needed to support contract and grant activities as those needs change over time.

Finally, the bill amends s. 379.207, F.S., to delete the requirement that the commission use an actuarial determination to allocate interest income from the Lifetime Fish and Wildlife Trust Fund, and removes requirement for the separate treatment of the interest income associated with the sale of lifetime licenses to persons under 16 years of age. These changes will increase the distribution of interest earnings from the LFWTF proportionally to the State Game Trust Fund and the Marine Resources Conservation Trust Fund, to support fish and wildlife conservation programs.

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<sup>5</sup> Auditor General Operational Audit, Report No. 2011-188, May 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 simplified interest distribution process for the LFWTF contained in the bill will allow the commission to increase the distribution by approximately \$50,000 to support fish and wildlife conservation programs. This additional distribution will not significantly impact the principle amount of the LFWTF which will be available to earn interest. Otherwise, this bill has no fiscal impact on state agencies or state funds, on local governments as a whole, or on the private sector.

**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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