

**HOUSE OF REPRESENTATIVES
FINAL BILL ANALYSIS**

| | | | |
|-----------------------------|---|----------------------------------|----------|
| BILL #: | HB 7053 | FINAL HOUSE FLOOR ACTION: | |
| SPONSOR(S): | Agriculture & Natural Resources Appropriations Subcommittee and Broxson | 116 Y's | 0 N's |
| COMPANION BILLS: | (SB 212) | GOVERNOR'S ACTION: | Approved |

SUMMARY ANALYSIS

HB 7053 passed the House on March 22, 2013 as SB 212.

To implement Article III, section 19(f), of the State Constitution, section 215.3208(1), Florida Statutes, specifies that a schedule for review of trust funds be included in the legislative budget instructions developed pursuant to section 216.023, Florida Statutes. The trust funds in the Fish and Wildlife Conservation Commission are scheduled for review this year.

All of the commission's trust funds are established in chapter 379, Florida Statutes, 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 in conformity with Florida law, but have never been specifically codified in Florida Statute.

Consistent with all of the remaining trust funds administered by the commission, the bill codifies into chapter 379, Florida Statutes, the Land Acquisition Trust Fund, the Invasive Plant Control Trust Fund, and the Save the Manatee Trust Fund.

The bill also amends section 379.204, Florida Statutes, deleting the authorization for cash transfers into the Federal Grants Trust Fund from other trust funds as it is no longer needed.

Finally, the bill amends section 379.207, Florida Statutes, deleting the requirement that the commission use an actuarial determination to allocate interest income from the Lifetime Fish and Wildlife Trust Fund, as well as removing the requirement for the separate treatment of interest income derived from the sale of lifetime licenses to individuals less than 16 years of age. This 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.

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 to support fish and wildlife conservation programs.

The bill was approved by the Governor on April 11, 2013, chapter 2013-22, Laws of Florida, and will become effective on July 1, 2013.

I. SUBSTANTIVE INFORMATION

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: h7053z.ANRAS

DATE: May 13, 2013

A. EFFECT OF CHANGES:

Present Situation

To implement Article III, section 19(f), of the State Constitution, section 215.3208(1), Florida Statutes, specifies that a schedule for review of trust funds be included in the legislative budget instructions developed pursuant to section 216.023, Florida Statutes. The trust funds in the Fish and Wildlife Conservation Commission are scheduled for review this year.

All of the commission's trust funds are established in chapter 379, Florida Statutes, 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 in conformity with Florida law, but have never been specifically codified in Florida Statute.

The Land Acquisition Trust Fund was re-created effective July 1, 2005, in chapter 2005-10, Laws of Florida, 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.

The Invasive Plant Control Trust Fund was re-created effective July 1, 2004, in the Department of Environmental Regulation to achieve eradication or maintenance control of invasive exotic plants on public lands. The program was transferred, however, to the commission in chapter 2008-150, Laws of Florida, and the trust fund was transferred in chapter 2009-65, Laws of Florida. Revenue sources include distributions from the documentary stamp tax, motor fuel taxes, and recreational and commercial vessel registration fees.

The Save the Manatee Trust Fund was re-created effective July 1, 2005, in chapter 2005-14, Laws of Florida, 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.

The Federal Grants Trust Fund was created in section 379.204, Florida Statutes, 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 \$12 million one-time cash advance originating from recreational hunting and fishing license fees from other trust funds. The commission maintains the \$12 million cash balance to support the trust fund expenditures until the commission receives reimbursement from the federal government. However, the authorization to transfer these fees is no longer necessary.

The Lifetime Fish and Wildlife Trust Fund (LFWTF) was created for the purpose of supporting fish and wildlife conservation programs of the state using interest earnings from the proceeds from the sale of 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 received and accruing from investments earned on the proceeds from the sale of licenses to individuals less than 16 years of age is not to be expended or disbursed for any purpose until the respective holders of such licenses attain the age of 16 years.

In an operational audit of the Office of Licensing and Permitting, the Auditor General found significant deficiencies in the commission procedures used to calculate the amount of interest earnings available for expenditure pursuant to state law. The calculated interest earnings that could have been disbursed were not calculated on an actuarial basis, as the necessity for an actuarial determination of the amount of interest that may be annually disbursed was unclear. In addition, the interest earned on the proceeds from the sale of lifetime licenses to individuals under 16 years of age was not expended or

disbursed after the individual attained the age of 16 years and the amount of interest earnings in the LFWTF associated with individuals who had attained the age of 16 years could not be readily determined.

The Auditor General recommended that the Legislature consider revising section 379.207, Florida Statutes, 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 individuals under 16 years of age.

Effect of Proposed Changes

Consistent with all of the remaining trust funds administered by the commission, the bill codifies into chapter 379, Florida Statutes, the Land Acquisition Trust Fund, the Invasive Plant Control Trust Fund, and the Save the Manatee Trust Fund.

The bill also amends section 379.204, Florida Statutes, deleting the authorization for the cash transfers into the Federal Grants Trust Fund from other trust funds as it is no longer needed.

Finally, the bill amends section 379.207, Florida Statutes, deleting the requirement that the commission use an actuarial determination to allocate interest income from the Lifetime Fish and Wildlife Trust Fund, as well as removing the requirement for the separate treatment of interest income derived from the sale of lifetime licenses to individuals under 16 years of age. This 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.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

See Fiscal Comments section below.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

According to the Fish and Wildlife Conservation Commission, there will be an increased annual 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 in total to support fish and

wildlife conservation programs. In Fiscal Year 2010-2011, \$48,350.08 was earned and retained on proceeds from license holders less than 16 years of age. In Fiscal Year 2011-12, the amount retained was \$51,159.48. These earnings would be available for expenditure and would no longer be retained in the LFWTF. Because of the annual change in the number of license holders under age 16 and the amount of annual interest earned, the actual annual fiscal impact is variable.