

# HOUSE OF REPRESENTATIVES TRUST FUND RE-CREATION STAFF ANALYSIS

**BILL #:** HB 7043      PCB GOAS 14-02      Trust Funds/Re-creation/Federal Grants Trust Fund/DFS  
**SPONSOR(S):** Government Operations Appropriations Subcommittee, Ingram  
**TIED BILLS:**            **IDEN./SIM. BILLS:** SB 682

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Government Operations Appropriations Subcommittee	13 Y, 0 N	Keith	Topp
1) Appropriations Committee	26 Y, 0 N	Keith	Leznoff

## I. SUMMARY

Section 19(f), Article III of the State Constitution requires that all newly created trust funds terminate not more than four years after the initial creation unless re-created. This provision also requires that trust funds be created or re-created by a three-fifths vote of the membership in each house of the Legislature in a separate bill for the sole purpose of creating or re-creating that trust fund. The Federal Grants Trust Fund was created in the Department of Financial Services effective July 1, 2011 in Ch. 2011-29, Laws of Florida, and is scheduled to terminate on July 1, 2015.

This legislation re-creates the Federal Grants Trust Fund within the Department of Financial Services without modification, effective July 1, 2014, provided that it is enacted by three-fifths of the membership of both houses of the Legislature.

This bill has no fiscal impact.

## **II. SUBSTANTIVE ANALYSIS**

### **A. PRESENT SITUATION:**

#### **1. MAJOR STATUTES THAT CONTROL THE TRUST FUND:**

Section 19(f), Article III of the State Constitution requires that all newly created trust funds terminate not more than four years after the initial creation unless re-created. This provision also requires that trust funds be created or re-created by a three-fifths vote of the membership in each house of the Legislature in a separate bill for the sole purpose of creating or re-creating that trust fund. The Federal Grants Trust Fund was created within the Department of Financial Services effective July 1, 2011 by chapter 2011-29, Laws of Florida, in section 17.67, Florida Statutes, and is scheduled to terminate on July 1, 2015.

#### **2. BRIEF DESCRIPTION OF THE FUND'S USES OR PURPOSES:**

The trust fund was established for use as a depository for funds to be used for allowable grant activities funded by restricted program revenues from federal sources.

#### **3. MAJOR SOURCES OF REVENUE FOR THE FUND:**

Funds credited to the Federal Grants Trust Fund consist of grants and funding from the federal government, interest earnings and cash advances from other trust funds.

#### **4. TOTAL PROJECTED RECEIPTS INTO THE FUND AND CURRENT YEAR APPROPRIATIONS FROM THE FUND:**

The total projected receipts into this fund for the current year are \$4,278,935 and current year appropriations from the fund are \$2,857,326.

### **B. EFFECT OF PROPOSED CHANGES:**

This legislation re-creates the Federal Grants Trust Fund within the Department of Financial Services without modification, effective July 1, 2014, and repeals the scheduled termination of the trust fund.

## **III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

This legislation has no fiscal impact on state agencies or state funds, on local governments as a whole or on the private sector. It simply re-creates, without modification, an existing state trust fund and continues the current use of the fund.

## **IV. COMMENTS**

## **V. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES**