

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 4007 Division of Bond Finance

SPONSOR(S): Gaetz

TIED BILLS: **IDEN./SIM. BILLS:** SB 522

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Government Operations Subcommittee	12 Y, 0 N	Moore	Williamson
2) Finance & Tax Committee	16 Y, 0 N	Pewitt	Langston
3) State Affairs Committee	16 Y, 0 N	Moore	Camechis

SUMMARY ANALYSIS

The Division of Bond Finance (Division) is administratively housed within the State Board of Administration and is responsible for issuing any state bonds authorized by law or the Florida Constitution as well as bonds on behalf of any state agency authorized by law. As part of its duties, the Division is required to issue a regular newsletter to issuers, underwriters, attorneys, investors, and other parties within the bond community and the general public containing information of interest relating to state and local general obligation and revenue bonds.

The Division has not published an issue of the newsletter since the fall of 2000 because there have been no subscribers.

The bill deletes the requirement for the Division to issue the newsletter.

The bill does not appear to have a fiscal impact on state or local governments.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

The Division of Bond Finance (Division) was created in the State Bond Act¹ (Act) in 1969 and is administratively housed within the State Board of Administration.² The Governor serves as chair of the governing board of the Division, the Attorney General is the secretary, and the Chief Financial Officer serves as treasurer.³

The Division is responsible for issuing any state bonds authorized by law or the Florida Constitution as well as bonds on behalf of any state agency authorized by law.⁴ As it is used in the Act, a state agency is defined as “any board, commission, authority, or other state agency heretofore or hereafter created by the constitution or statutes of the state.”⁵ In carrying out its authority, the Division is authorized to exercise all of the powers relating to bonds to the same extent as state agencies.⁶

As part of its duties, the Division serves as a clearinghouse of information relating to both general obligation bonds and revenue bonds of the state and local governments.⁷ The Division is required to collect, maintain, and make available information concerning such bonds.⁸ The Division is also required to issue a regular newsletter to issuers, underwriters, attorneys, investors, and other parties within the bond community and the general public containing information of interest relating to these bonds.⁹ The Division is authorized to charge fees for subscriptions to the newsletter.¹⁰

The Division’s newsletter does not have any subscribers.¹¹ As a result, the Division has not published an issue of the newsletter since the fall of 2000.¹² The Division has never charged a fee for the newsletter.¹³

Effect of Proposed Changes

The bill deletes the requirement for the Division to issue a regular newsletter to issuers, underwriters, attorneys, investors, and other parties within the bond community and the general public containing information of interest relating to local and state bonds.

B. SECTION DIRECTORY:

Section 1. amends s. 218.37, F.S., repealing the requirement that the Division issue a regular newsletter addressing local and state bonds.

Section 2. provides an effective date of July 1, 2015.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

¹ The State Bond Act encompasses ss. 215.57-215.83, F.S.

² Section 215.62(1), F.S.

³ *Id.*

⁴ Section 215.64(2), F.S.

⁵ Section 215.58(6), F.S.

⁶ Section 215.64(3), F.S.

⁷ Section 218.37, F.S.

⁸ Section 218.37(1)(a)-(c), F.S.

⁹ Section 218.37(1)(f), F.S.

¹⁰ *Id.*

¹¹ According to a phone conversation with Division staff on January 14, 2015.

¹² According to email correspondence with Division staff on January 22, 2015. A copy of the email is on file with Government Operations Subcommittee staff.

¹³ According to a phone conversation with Division staff on January 14, 2015.

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to affect county or municipal governments.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

Repeal of the newsletter requirement was recommended in the Auditor General's Annual Report for the period of November 1, 2013, through October 31, 2014.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

None.