

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 Governmental Oversight and Accountability

BILL: SPB 2512

INTRODUCER: For consideration by Appropriations Committee

SUBJECT: Documentary Stamp Tax Distributions

DATE: March 30, 2021

REVISED: _____

ANALYST

Reagan

STAFF DIRECTOR

Sadberry

REFERENCE

Pre-meeting

ACTION

I. Summary:

SPB 2512 revises the Documentary Stamp Tax distributions of the remainder after distributions made to the Land Acquisition Trust Fund, Department of Revenue Administration cost, and the General Revenue Service Charge by:

- Adding a distribution of 6.84519 percent of the remainder to the newly created Resilient Florida Trust Fund to be used for the new Resilient Florida Program.
- Adding a distribution of 6.84519 percent of the remainder to the Water Sustainability and Accountability Trust Fund to be used for the wastewater grant program provided in s. 403.0673, F.S.
- Amending the distributions made to the State Housing Trust Fund and Local Government Housing Trust Fund to 6.84519 percent of the remainder. Also, prevents funds distributed to the State Housing Trust Fund and the Local Government Housing Trust Fund from being transferred to General Revenue.
- Amends the use of the Water Protection and Sustainability Trust Fund to authorize the fund to be used for the wastewater grant program.
- Makes other technical adjustments to clean up the subsection.
- The bill is linked to Resilient Florida Trust Fund bill (SPB 2514) and Statewide Flooding and Sea-Level Rise Resilience (SB 1954)

For Fiscal Year 2021-2022, the bill would reduce transfers of documentary stamp revenues to the State Housing Trust Fund by \$85.9 million and to the Local Government Housing Trust Fund by \$196.3 million. It would create a transfer of \$141.1 million to the Resilient Florida Trust Fund and another \$141.1 million to the Water Protection and Sustainability Trust Fund.

II. Present Situation:

Distribution of Documentary Stamp Revenue

Chapter 201, F.S., levies an excise tax (documentary stamp tax) on documents such as deeds, stocks and bonds, notes and written obligations to pay money, mortgages, liens, and other

evidences of indebtedness. The Florida Department of Revenue (DOR) administers the provisions of that chapter, including provisions governing the collection of documentary stamp taxes, which are distributed each fiscal year to the General Revenue Fund and various other trust funds.

Section 201.15, F.S., requires that the first distributions are to the Land Acquisition Trust Fund (LATF) to make payments of bonds authorized for Florida Forever, Everglades Restoration, or any other bonds issued on a parity basis. If these amounts are less than 33 percent of all taxes collected after first deducting the cost of collection, an amount equal to 33 percent of all taxes collected after first deducting the costs of collection, minus the amounts deposited for the debt service on the aforementioned bonds, shall be deposited in to the LATF.¹

After the required distributions to the LATF, 24.184442 percent of the remainder of the taxes collected or \$541.75 million, whichever is less, is paid into the State Treasury to the credit of the State Transportation Trust Fund (STTF), \$75 million of which must be transferred to the General Revenue Fund. The remaining amount credited to the STTF must be used to fund certain transportation-related programs. The lesser of 0.1456 percent of the remainder or \$3.25 million must be paid to the State Treasury to the Department of Economic Opportunity (DEO) to fund technical assistance to local governments.

Eleven and twenty-four hundredths percent of the remainder in each fiscal year shall be paid into the State Treasury to the credit of the State Housing Trust Fund. Of such funds, the first \$35 million shall be transferred annually to the State Economic Enhancement and Development (SEED) Trust Fund within the DEO. The remainder shall be used as follows:

- Half of that amount shall be used for the purposes for which the State Housing Trust Fund was created and exists by law.
- Half of that amount shall be paid into the State Treasury to the credit of the Local Government Housing Trust Fund and used for the purposes for which the Local Government Housing Trust Fund was created and exists by law.

Twelve and ninety-three hundredths percent of the remainder in each fiscal year shall be paid into the State Treasury to the credit of the State Housing Trust Fund. Of such funds, the first \$40 million shall be transferred annually to the SEED Trust Fund within the DEO. The remainder shall be used as follows:

- Twelve and one-half percent of that amount shall be deposited into the State Housing Trust Fund and expended by the DEO and the Florida Housing Finance Corporation for the purposes for which the State Housing Trust Fund was created and exists by law.
- Eighty-seven and one-half percent of that amount shall be distributed to the Local Government Housing Trust Fund and used for the purposes for which the Local Government Housing Trust Fund was created and exists by law. Funds from this category may also be used to provide for state and local services to assist the homeless.

The lesser of 0.017 percent of the remainder or \$300,000 in each fiscal year shall be paid into the State Treasury to the credit of the General Inspection Trust Fund to be used to fund oyster management and restoration programs as provided in s. 379.362(3), F.S.

¹ Section 201.15, F.S.

Distributions to the State Housing Trust Fund must be sufficient to cover amounts required to be transferred to the Florida Affordable Housing Guarantee Program's annual debt service reserve and guarantee fund pursuant to s. 420.5092(6)(a) and (b), F.S., up to the amount required to be transferred to such reserve and fund based on the percentage distribution of documentary stamp tax revenues to the State Housing Trust Fund which is in effect in the 2004-2005 fiscal year.

After the distributions provided in the preceding subsections, any remaining taxes shall be paid into the State Treasury to the credit of the General Revenue Fund.

Wastewater Grant Program

Chapter 2020-150, Laws of Florida, created s. 403.0673, F.S.², a wastewater grant program within the DEP. Subject to appropriation, the DEP may provide grants that will reduce excess nutrient pollution for projects that:

- Retrofit Onsite Sewage Treatment and Disposal Systems (OSTDSs) to upgrade them to nutrient-reducing OSTDSs;
- Construct, upgrade, or expand facilities to provide advanced waste treatment; or
- Connect OSTDSs to central sewer facilities.

In allocating such funds, first priority must be given to projects that subsidize the connection of OSTDSs to a wastewater treatment plant. Second priority must be given to any expansion of a collection or transmission system that promotes efficiency by planning the installation of wastewater transmission facilities to be constructed concurrently with other construction projects along a transportation right-of-way. Third priority must be given to all other connections of onsite sewage treatment and disposal systems to wastewater treatment plants.

In determining priorities, the DEP must consider all of the following:

- The estimated reduction in nutrient load per project.
- Project readiness.
- Cost-effectiveness of the project.
- The overall environmental benefit of a project.
- The location of a project within the plan area.
- The availability of local matching funds.
- Projected water savings or quantity improvements associated with a project.

Each grant must require a minimum of a 50 percent local match of funds. However, the DEP may waive, in whole or in part, this consideration of the local contribution for proposed projects within an area designated as a rural area of opportunity. The DEP and the WMDs will coordinate to identify grant recipients in each district.

Water Protection and Sustainability Program

The Water Protection and Sustainability Program³ requires that revenues deposited into or appropriated to the Water Protection and Sustainability Program Trust Fund to be distributed by

² Section 403.0673, F.S.

³ Section 403.890, F.S.

the DEP for the alternative water supply program or the water storage facility revolving loan fund.

III. Effect of Proposed Changes:

Section 1 amends s. 201.15, F.S., to revise the documentary stamp tax distributions of the remainder after distributions to the Land Acquisition Trust Fund (LATF), Department of Revenue administrative cost, and the general revenue service charge by:

- Reducing the percentage of distribution to the State Transportation Trust Fund (STTF) from 24.18442 percent to 20.5453 percent of the remainder after distributions to LATF or \$466.75 million rather than \$541.75 million. It also moves the \$75 million transfer to the General Revenue Fund from the STTF, which results in a net zero change to the distribution to the STTF as the \$75 million distribution goes directly to GR under current practice;
- Reducing the percentage of the first distribution to the State Housing Trust Fund and the Local Government Housing Trust Fund (housing trust funds) from 11.24 percent to three percent;
- Reducing the percentage of the second distribution to the housing trust funds from 12.93 percent to 3.84519 percent;
- Prohibiting distributions to the housing trust funds from being transferred to the General Revenue Fund in the General Appropriations Act;
- Moving and combining the \$35 million and \$40 million distributions to the SEED Trust Fund within the DEO into a separate provision;
- Creating a distribution of 6.84519 percent of the remainder to the Resilient Florida Trust Fund (RFTF) to be used for the purposes for which the RFTF was created and exists by law. The bill provides that these funds may be used for planning and project grants;
- Creating a distribution of 6.84519 percent of the remainder to the Water Protection and Sustainability Program Trust Fund to be used for wastewater grants.

Section 2 of the bill amends s. 403.890, F.S., to authorize the Water Protection and Sustainability Program Trust Fund to be used for the wastewater grant program pursuant to s. 403.0673, F.S.

Sections 3, 4, 5, and 6 of the bill reenact ss. 403.890, 201.0205, 420.5092(5) and (6), and 420.9073(1), (2), and (3), respectively, to incorporate the amendments made by this bill to s. 201.15, F.S.

Section 7 provides that the act shall only take effect July 1, 2021, only if SB 1954 or similar legislation and SPB 2514 or similar legislation are adopted in the same legislative session or an extension thereof and become law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

The Revenue Estimating Conference has not yet met to determine an impact of this bill. The bill does not change the amount of tax collected, only the distribution of the revenues. See Government Section Impact for unofficial estimates.

B. Private Sector Impact:

None.

C. Government Sector Impact:

For Fiscal Year 2021-2022, the bill would reduce transfers of documentary stamp tax revenues to the State Housing Trust Fund by \$85.9 million and to the Local Government Housing Trust Fund by \$196.3 million. It would create a transfer of \$141.1 million to the Resilient Florida Trust Fund and another \$141.1 million to the Water Protection and Sustainability Trust Fund. The other current distributions to the LATF, the STTF, and the DEO remain unaffected.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 201.15 and 403.890.

The bill reenacts the following sections of the Florida Statutes: 201.0205, 339.55, 420.5092, and 420.9073.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

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