

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 Appropriations Committee

BILL: SPB 7054

INTRODUCER: For consideration by the Appropriations Committee

SUBJECT: Trust Funds/Triumph Gulf Coast Trust Fund

DATE: March 3, 2021

REVISED: _____

ANALYST

Hrdlicka

STAFF DIRECTOR

Sadberry

REFERENCE

ACTION

Pre-meeting

I. Summary:

SPB 7054 re-creates, without modification, the Triumph Gulf Coast Trust Fund within the Department of Economic Opportunity.

The bill is effective upon becoming a law.

The bill does not impact state and local government revenues and expenditures.

II. Present Situation:

Article III, s. 19(f) of the Florida Constitution requires the termination of all state trust funds within four years of their initial creation, unless the trust fund is exempted by the constitution or operation of law.

The Triumph Gulf Coast Trust Fund is scheduled to be terminated on July 1, 2021, unless recreated by the Legislature.

The trust fund was created in 2017 for the deposit of the funds from the “Settlement Agreement Between the Gulf States and the BP Entities with Respect to Economic and Other Claims Arising from the Deepwater Horizon Incident,” which was entered into on October 5, 2015.¹ Under the settlement agreement, Florida will receive \$2 billion over an 18-year period. Of the settlement funds for Florida, 75 percent of payments to the state are transferred immediately upon receipt to the trust fund, and such funds are then released by the Department of Economic Opportunity to Triumph Gulf Coast, Inc., within 30 days of deposit in the trust fund.² The initial payment was \$400 million, \$300 million of which was transferred to Triumph Gulf Coast, Inc., in the

¹ The settlement agreement arose from *In re: Oil Spill by the Oil Rig “Deepwater Horizon” in the Gulf of Mexico, on April 20, 2010*, MDL 2179 in the United States District Court for the Eastern District of Louisiana. Chapter 2017-64, Laws of Fla. (creating s. 288.80125, F.S., relating to the trust fund, effective July 1, 2017).

² Section 288.8013(2), F.S.

2017-2018 fiscal year.³ Florida will receive \$106.7 million each year from 2019 until 2033; \$80 million is transferred to Triumph Gulf Coast and \$26.7 million is deposited in the General Revenue Fund.⁴

Funds are used by Triumph Gulf Coast, Inc., for projects within the eight disproportionately affected counties of Bay, Escambia, Franklin, Gulf, Okaloosa, Santa Rosa, Walton, and Wakulla.⁵ Awards to projects or programs must meet priorities for economic recovery, diversification, and enhancement of the disproportionately affected counties.⁶

Triumph Gulf Coast, Inc., is required to establish a trust account at a federally insured financial institution for the received funds. The corporation is also allowed to invest surplus funds in the Local Government Surplus Funds Trust Fund. Any interest earned in either the trust account or as invested must be deposited monthly back into the Triumph Gulf Coast Trust Fund.⁷

In Fiscal Year 2018-2019, the balance of interest in the trust fund was transferred to Triumph Gulf Coast, Inc., for projects.⁸ In Fiscal Year 2020-2021, \$8 million from the trust fund was appropriated to the Department of Economic Opportunity to serve as match for a potential grant from the U.S. Economic Development Administration for a revolving loan program in the region impacted by Hurricane Michael.⁹ As of February 19, 2021, the trust fund had a cash balance of \$15.4 million.

The trust fund is exempt from the general revenue service charge provided in s. 215.20, F.S.

Pursuant to s. 215.3206, F.S., the Department of Economic Opportunity reviewed the purpose and use of the trust fund and recommended the re-creation of the trust fund without modification.¹⁰

III. Effect of Proposed Changes:

The Triumph Gulf Coast Trust Fund within the Department of Economic Opportunity is re-created without modification. Section 288.80125(3), F.S., which terminates the trust fund on July 1, 2021, is repealed. The bill is effective upon becoming a law.

³ See ch. 2017-63, Laws of Fla., and Triumph Gulf Coast, *Frequently Asked Questions: How does Triumph Gulf Coast receive funding?*, available at <https://www.myfloridatriumph.com/about/frequently-asked-questions/> (last visited Feb. 22, 2021).

⁴ In re: Oil Spill by the Oil Rig “Deepwater Horizon” in the Gulf of Mexico, on April 20, 2010, Settlement Agreement Between the Gulf States and the BP Entities with Respect to Economic and Other Claims Arising from the Deepwater Horizon Incident, *Attachment I*, filed October 5, 2015, available at [http://www.laed.uscourts.gov/sites/default/files/OilSpill/Orders/10052015Motion\(DismissalofStates%2015435\).pdf](http://www.laed.uscourts.gov/sites/default/files/OilSpill/Orders/10052015Motion(DismissalofStates%2015435).pdf) (last visited Feb. 22, 2021).

⁵ Section 288.8012(3), F.S.; see also s. 288.8013(2)(b) and (c), F.S.

⁶ See s. 288.8017, F.S.

⁷ Section 288.8013(3), F.S.

⁸ Chapter 2018-9, s. 80, Laws of Fla.

⁹ Chapter 2020-111, s. 6, Specific Appropriation 2267, Laws of Fla.

¹⁰ Fiscal Year 2021-2022, *Schedule ID: Request For Creation, Re-Creation, Retention, Termination, or Modification of a Trust Fund*, Department of Economic Opportunity, Triumph Gulf Coast Trust Fund (on file with the Senate Transportation, Tourism, and Economic Development Appropriations Subcommittee).

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

Pursuant to Art. III, s. 19(f)(1) of the Florida Constitution, a bill that re-creates a trust fund must pass by a three-fifths vote of the membership of each house in a separate bill for that purpose only.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None identified.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None. This bill 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.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill amends section 288.80125 of the Florida Statutes.

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.
