

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 Education Postsecondary

BILL: SB 1476

INTRODUCER: Senator Trumbull

SUBJECT: Trust Funds/Institute of Food and Agricultural Sciences Renovation, Relocation, and Construction Trust Fund/State University System

DATE: January 19, 2024

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Jahnke	Bouck	HE	Pre-meeting
2.	_____	_____	AED	_____
3.	_____	_____	AP	_____

I. Summary:

SB 1476 creates the Institute of Food and Agriculture Sciences Renovation, Relocation, and Construction Trust Fund (trust fund) within the State University System. The bill specifies the trust fund serves as a depository for funds obtained from the sale, trade, exchange, or disposal of state agricultural research and education properties leased to the University of Florida Board of Trustees and used by the University of Florida Institute of Food and Agricultural Sciences.

The bill authorizes the Board of Trustees of the Internal Improvement Trust Fund to conduct such transactions and deposit the proceeds into the trust fund, and specifies that the funds are designated for upgrades, renovation, repair of existing properties, and the relocation or construction of new agricultural research and education facilities.

Additionally, the bill sets conditions for transactions, requiring fair market value, and includes a termination date for the trust fund, subject to review before termination as outlined in constitutional and statutory provisions.

This bill takes effect on July 1, 2024.

II. Present Situation:

The University of Florida Institute of Food and Agriculture Sciences

The University of Florida's Institute of Food and Agricultural Sciences (UF/IFAS) is a federal-state-county partnership dedicated to developing knowledge in agriculture, human and natural resources, and the life sciences. UF/IFAS fulfills the university's land grant mission by working to enhance and sustain the quality of human life through its research facilities, extension services offered in every Florida county, and top-ranked education at the UF College of Agricultural and

Life Sciences.¹ In addition to extension offices in each of Florida's 67 counties, the UF/IFAS has 12 research stations and five research and demonstration sites around the state that provide testing, research, and development that fit the needs of agriculture in the area. Such sites were built in rural areas but due to urban encroachment, their value has increased.² The total portfolio of UF/IFAS facilities includes:³

- 54,000+ acres;
- 1300+ buildings; and
- 4 million+ gross square feet of built space.

The Institute of Food and Agricultural Sciences Relocation and Construction Trust Fund was created in 1990 to allow the UF/IFAS to retain and reinvest funds from land sales back into the UF/IFAS facilities portfolio.⁴ The trust fund was reviewed and recommended to terminate in 2007.⁵

One example of the allowances of IFAS Relocation and Construction Trust Fund occurred in 2003, where funds from the closing and sale of UF/IFAS centers and property in Sanford, Leesburg, and Dover yielded enough funds to build the UF/IFAS Gulf Coast Research and Education Center in Balm located in Hillsborough County.⁶

The majority of the UF/IFAS properties are owned by the state of Florida. Any surplus land sales are managed through the Division of State Lands in the Florida Department of Environmental Protection and ultimately the Board of Trustees of the Internal Improvement Trust Fund. Funds from these land sales are returned to the state of Florida under current statute and administrative code.⁷

Internal Improvement Trust Fund

The state received 500,000 acres of land for internal improvement purposes through an Act of Congress passed on March 3, 1845. A portion of the granted land remains unsold. The funds generated from the sale of the land, both from previous sales and future sales, are considered part of this arrangement. Additionally, swampland or lands subject to overflow was granted to the state by an Act of Congress approved on September 28, 1850. All these lands and the proceeds from their sales were set apart and declared a separate fund known as the Internal Improvement Trust Fund of the state.⁸

¹ University of Florida, Institute of Food and Agricultural Sciences, *About UF/IFAS*, <https://ifas.ufl.edu/about-us/> (last visited Jan. 18, 2024).

² Email, University of Florida, Institute of Food and Agricultural Sciences (Jan. 17, 2024), with attachment.

³ *Id.*

⁴ Chapter 90-148, Laws of Fla., authorized the Board of Regents, with the approval of the Board of Trustees, to sell, trade, or exchange state agricultural research and education property, deposit the funds in the Institute of Food and Agricultural Sciences Relocation and Construction Trust Fund, and apply the funds to the relocation and construction of new agricultural research facilities.

⁵ Chapter 2007-18, Laws of Fla.

⁶ Email, University of Florida, *Institute of Food and Agricultural Sciences* (Jan. 17, 2024), with attachment.

⁷ *Id.*

⁸ Section 253.01(1)(a), F.S.

All revenues accruing from sources designated by law for deposit in the Internal Improvement Trust Fund must be used for the acquisition, management, administration, protection, and conservation of state-owned lands.⁹

Board of Trustees of the Internal Improvement Trust Fund

The Board of Trustees (BOT) of the Internal Improvement Trust Fund is comprised of four trustees: the Governor, the Attorney General, the Chief Financial Officer, and the Commissioner of Agriculture and their successors in office.¹⁰ The BOT is vested and charged with the acquisition, administration, management, control, supervision, conservation, protection, and disposition of all lands owned by the state or any of its agencies, departments, boards, or commissions, subject to certain exclusions specified in law.¹¹ The BOT is granted a comprehensive set of rights and powers, including ownership rights, legal claims, remedies in case of issues, the ability to take legal actions, and control over various matters that are relevant to their responsibilities.¹²

The BOT is not authorized to sell, transfer, or otherwise dispose of any lands the title to which is vested in the BOT except by vote of at least three of the four trustees.¹³ The BOT has additional authority regarding easements for rights-of-way and submerged tidal lands.¹⁴ The board can delegate this authority to the Secretary of Environmental Protection.¹⁵

The Florida Department of Environmental Protection's Division of State Lands is Florida's lead agency for environmental management and stewardship, serving as staff to the BOT of the Internal Improvement Trust Fund.¹⁶

Trust Funds

A trust fund may be created by law only by the Legislature and only if passed by a three-fifths vote of the membership of each house in a separate bill for that purpose only. Except for trust funds being re-created by the Legislature, each trust fund must be created by statutory language that specifies at least the following:¹⁷

- The name of the trust fund.
- The agency or branch of state government responsible for administering the trust fund.
- The requirements or purposes that the trust fund is established to meet.

⁹ Section 253.01(2), F.S.

¹⁰ Section 253.02(1), F.S.

¹¹ Section 253.03(1), F.S. Lands vested in the BOT of the Internal Improvement Trust Fund are: swamp and overflowed lands held by the state; all lands owned by the state by right of its sovereignty; internal improvements lands proper; tidal lands; lands covered by shallow waters of the ocean or gulf, or bays and lagoons, and all lands owned by the state covered in fresh water; all parks, reservations, and lands set aside in the name of the state, excluding certain transportation facilities and corridors; all lands which have accrued, or will accrue, to the state, with certain exceptions for transportation, spoil areas, flood control district, water management district, or navigation district. *Id.*

¹² Section 253.02(1), F.S.

¹³ Section 253.02(2)(a), F.S.

¹⁴ Section 253.02(2)-(4), F.S.

¹⁵ Section 253.02(2)(b) and (c), F.S.

¹⁶ Florida Department of Environmental Protection, *Division of State Lands*, <https://floridadep.gov/lands> (last visited Jan. 18, 2024).

¹⁷ Section 215.3207, F.S.

- The sources of moneys to be credited to the trust fund or specific sources of receipts to be deposited in the trust fund.

State trust funds are required to terminate, and are authorized to exist a maximum of four years from the effective date of the act authorizing the initial creation of the trust fund. The legislature may set a shorter time period for which any trust fund is authorized.¹⁸

Before the regular session of the Legislature preceding the termination date of any trust fund, the agency responsible for the administration of the trust fund and the Governor, for executive branch trust funds, or the Chief Justice, for judicial branch trust funds, must review the purpose and use of the trust fund. Based on this review, a recommendation must be provided to the President of the Senate and the Speaker of the House of Representatives regarding whether the trust fund should be allowed to terminate or if it should be re-created. A recommendation to re-create a trust fund may also include suggested modifications to the purpose, sources of receipts, and allowable expenditures for the trust fund. Recommendations from agencies or the Chief Justice must be made as part of the legislative budget request to the Legislature, and recommendations from the Governor must be made part of the recommended budget presented to the Legislature.¹⁹

If the decision is made to terminate the trust fund and not immediately re-create it, all cash balances and income of the trust fund are to be deposited into the General Revenue Fund. The responsible agency or Chief Justice is required to promptly pay any outstanding debts of the trust fund. The Chief Financial Officer must close out and remove the trust fund from various state financial systems, adhering to generally accepted accounting practices related to outstanding warrants, assets, and liabilities. No appropriation or budget amendment is authorized to encumber funds from a trust fund after its termination date or if it is judicially determined to be invalid.²⁰

III. Effect of Proposed Changes:

The bill creates s. 1004.331, F.S., to establish the Institute of Food and Agriculture Sciences Renovation, Relocation, and Construction Trust Fund (trust fund) within the State University System. The trust fund is created to serve as a depository for funds derived from the sale, trade, exchange, or disposal of state agricultural research and education real property and improvements. The bill clarifies that these properties are leased to the University of Florida Board of Trustees (UF BOT) by the Board of Trustees (BOT) of the Internal Improvement Trust Fund and are used by the University of Florida Institute of Food and Agricultural Sciences (UF/IFAS).

The bill acknowledges the authority of the BOT of the Internal Improvement Trust Fund to purchase, sell, and transfer state lands, to specify that the BOT of the Internal Improvement Trust Fund, upon request from the UF BOT, may sell, trade, exchange, or otherwise dispose of state agricultural research and education real property and improvements leased to the UF BOT and used by the UF/IFAS.

¹⁸ FLA. CONST. art. III, s. 19(f).

¹⁹ Section 215.3206(1), F.S.

²⁰ Section 215.3206(2), F.S.

The bill requires that, rather than deposited into the Internal Improvement Trust Fund, the BOT of the Internal Improvement Trust Fund must deposit the proceeds from the sale or other disposition of such lands into the Institute of Food and Agricultural Sciences Renovation, Relocation, and Construction Trust Fund, to be used:

- By the UF BOT for upgrades, renovation, and repair of existing properties and the relocation or construction of new agricultural research and education facilities.
- Upon request of the UF BOT, by the BOT of the Internal Improvement Trust Fund for the purchase of real property or property improvements for the relocation or construction of new agricultural research and education facilities.

The bill requires any sale to be at fair market value, and any trade or exchange must be for property with a fair market value equal to or greater than the property traded or exchanged.

Additionally, the bill establishes a termination date for the Institute of Food and Agricultural Sciences Renovation, Relocation, and Construction Trust Fund on July 1, 2028, unless terminated sooner. The bill requires a review of the fund before its scheduled termination as provided in law.

This bill takes effect July 1, 2024.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

Article III, s. 19(f)(1) of the Florida Constitution specifies that a trust fund may be created or re-created only by a three-fifths vote of the membership of each house of the Legislature in a separate bill for that purpose only.

Article III, s. 19(f)(2) of the Florida Constitution specifies that state trust funds must terminate not more than four years after the effective date of the act authorizing the initial creation of the trust fund. By law the Legislature may set a shorter time period for which any trust fund is authorized.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The Internal Improvement Trust Fund may experience an indeterminate negative fiscal impact associated with revenues for transactions specified in the bill redirected to the Institute of Food and Agriculture Sciences Renovation, Relocation, and Construction Trust Fund created in the bill.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill creates section 1004.331 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.