

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 on Transportation, Tourism, and Economic Development

BILL: CS/CS/SB 1604

INTRODUCER: Appropriations Committee on Transportation, Tourism, and Economic Development, Military and Veterans Affairs, Space, and Domestic Security Committee and Senator Wright

SUBJECT: Trust Funds/Vacancy Relief Trust Fund/Risk Mitigation Trust Fund

DATE: February 20, 2026 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Proctor</u>	<u>Proctor</u>	<u>MS</u>	<u>Fav/CS</u>
2.	<u>Griffin</u>	<u>Nortelus</u>	<u>ATD</u>	<u>Fav/CS</u>
3.	<u> </u>	<u> </u>	<u>AP</u>	<u> </u>

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/CS/SB 1604 creates the Vacancy Relief and Risk Mitigation Trust Fund within the Florida Housing Finance Corporation (FHFC), to which the Legislature may appropriate funds for the purpose of implementing the Homes for Veterans Property Management Incentive Pilot Program under s. 83.684, F.S.

This bill may have an indeterminate fiscal impact on private and government sectors. See Section V., Fiscal Impact Statement.

The bill takes effect July 1, 2026, if CS/CS/SB 1602 or similar legislation is adopted in the same legislative session or an extension thereof and becomes a law.

II. Present Situation:

Trust Funds

Establishment of 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:

- 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.
- The sources of moneys to be credited to the trust fund or specific sources of receipts to be deposited in the trust fund.¹

Florida Constitutional Requirement for Trust Funds

The Florida Constitution requires 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.² By law the Legislature may set a shorter time period for which any trust fund is authorized.³

However, under the Florida Constitution state trust funds that serve as clearing funds or accounts for the Chief Financial Officer or state agencies are not subject to the termination requirements.⁴

Review of Trust Funds

The Legislature must review all state trust funds at least once every four years,⁵ prior to the regular session of the Legislature immediately preceding the date on which any executive or judicial branch trust fund is scheduled to be terminated,⁶ or such earlier date as the Legislature may specify.⁷

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 recommend to the President of the Senate and the Speaker of the House of Representatives whether the trust fund should be allowed to terminate or should be re-created.⁸ Each recommendation must be based on a review of the purpose and use of the trust fund and a determination of whether the trust fund will continue to be necessary.⁹ A recommendation to re-create the trust fund may include suggested modifications to the purpose, sources of receipts, and allowable expenditures for the trust fund.¹⁰

When the Legislature terminates a trust fund, the agency or branch of state government that administers the trust fund must pay any outstanding debts or obligations of the trust fund as soon as practicable.¹¹ The Legislature may also provide for the distribution of moneys in that trust

¹ Section 215.3207, F.S.

² FLA. CONST., art. III, s. 19(f)(2).

³ *Id.*

⁴ FLA. CONST., art. III, s. 19(f)(3).

⁵ Section 215.3208(1), F.S.

⁶ FLA. CONST., art. III, s. 19(f).

⁷ Section 215.3206(1), F.S.

⁸ *Id.*

⁹ *Id.*

¹⁰ *Id.*

¹¹ Section 215.3208(2)(a), F.S.

fund. If no such distribution is provided, the moneys remaining after all outstanding obligations of the trust fund are met must be deposited in the General Revenue Fund.¹²

Homes for Veterans Property Management Incentive Pilot Program

CS/SB 1602 creates the “Homes for Veterans Property Management Incentive Pilot Program” within the FHFC for Broward, Escambia, Hillsborough, and Santa Rosa counties. The bill directs the FHFC, in consultation with the local public housing authority and case managers assigned to veterans, to establish and oversee the Vacancy Relief Trust Fund, the Risk Mitigation Trust Fund, the applications for such trust funds, the document requirements, and all processes of the pilot program.

The pilot program provides that landlords may apply to the FHFC to receive funding from the:

- Vacancy Relief Trust Fund to hold a vacant dwelling for a veteran for up to 45 days; and
- Risk Mitigation Trust Fund to cover property loss at the dwelling unit caused by the veteran which extends beyond the amount of the deposit money up to \$2,000, if the landlord has previously applied for the Vacancy Relief Trust Fund.

Funding provided from the pilot program is on a first-come, first-served basis, and the FHFC is direct to adopt rules for the pilot program.

Implementation of the pilot program is subject to annual legislative appropriations.

III. Effect of Proposed Changes:

The bill creates s. 420.56, F.S., to establish the Vacancy Relief and Risk Mitigation Trust Fund within the FHFC for the purpose of implementing the Homes for Veterans Property Management Incentive Pilot Program established pursuant to s. 83.684, F.S.

The bill directs that notwithstanding s. 216.301, F.S., and pursuant to s. 216.351, F.S., any balance in the trust fund at the end of the fiscal year reverts and is appropriated to the FHFC for the next fiscal year for carrying out the purposes of the trust fund.

The bill provides that in accordance with s. 19(f)(2), Art. III of the State Constitution, the Vacancy Relief and Risk Mitigation Trust Fund must, unless terminated sooner, be terminated on July 1, 2030. Before the scheduled termination of the Vacancy Relief and Risk Mitigation Trust Fund, the trust fund must be reviewed as provided in s. 215.3206(1) and (2), F.S.

The bill provides an effective date of July 1, 2026, if CS/CS/SB 1602 or similar legislation is adopted in the same legislative session or an extension thereof and becomes a law.

¹² Section 215.3208(2)(b), F.S.

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

Not applicable. The bill does not require counties or municipalities to take an action requiring the expenditure of funds, reduce the authority that counties or municipalities have to raise revenue in the aggregate, nor reduce the percentage of state tax shared with counties or municipalities.

B. Public Records/Open Meetings Issues:

Article I, s. 24(c) of the State Constitution requires a two-thirds vote of the members present and voting for final passage of a bill creating or expanding an exemption to the public records disclosure requirements. The bill does not create or expand an exemption. Thus, the bill does not require an extraordinary vote for enactment.

C. Trust Funds Restrictions:

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

D. State Tax or Fee Increases:

None identified.

E. Other Constitutional Issues:

None identified.

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

None identified.

B. Private Sector Impact:

The bill may have an indeterminate positive fiscal impact for landlords who participate in the Homes for Veterans Property Management Incentive Pilot Program and receive funds from the newly created trust fund.

C. Government Sector Impact:

The bill does not directly impact state revenues or expenditures. However, the creation of the trust fund will allow implementation of the Homes for Veterans Property Management Incentive Pilot Program subject to annual legislative appropriations.

VI. Technical Deficiencies:

None identified.

VII. Related Issues:

None identified.

VIII. Statutes Affected:

This bill creates section 420.56 of the Florida Statutes.

IX. Additional Information:

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS/CS by Appropriations Committee on Transportation, Tourism, and Economic Development on February 18, 2026:

The committee substitute combines the two trust funds into one trust fund: the Vacancy Relief and Risk Mitigation Trust Fund.

CS by Military and Veterans Affairs, Space, and Domestic Security on January 26, 2026:

The committee substitute links the bill to CS/SB 1602 to provide an effective date of July 1, 2026, if CS/SB 1602 or similar legislation is adopted in the same legislative session or an extension thereof and becomes a law.

- B. **Amendments:**

None.