

HOUSE OF REPRESENTATIVES TRUST FUND RE-CREATION STAFF ANALYSIS

BILL #: HB 7053 PCB TEDAS 14-01 Trust Funds/Re-creation/State Economic
Enhancement & Development Trust Fund/DEO

SPONSOR(S): Transportation & Economic Development Appropriations Subcommittee, Hooper

TIED BILLS: **IDEN./SIM. BILLS:** SB 684

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Transportation & Economic Development Appropriations Subcommittee	9 Y, 0 N	Proctor	Davis
1) Appropriations Committee	26 Y, 0 N	Proctor	Leznoff

I. SUMMARY

Section 19(f), Article III of the State Constitution requires that all newly created trust funds terminate not more than four years after the initial creation unless re-created. This provision also requires that trust funds be created or re-created by a three-fifths vote of the membership in each house of the Legislature in a separate bill for the sole purpose of creating or re-creating that trust fund. The State Economic Enhancement and Development (SEED) Trust Fund within the Department of Economic Opportunity (DEO) became effective July 1, 2011 in Ch. 2011-138, Laws of Florida, and is scheduled to terminate on July 1, 2015.

This legislation re-creates the SEED Trust Fund within the DEO without modification, effective July 1, 2014, provided that it is enacted by three-fifths of the membership of both houses of the Legislature.

II. SUBSTANTIVE ANALYSIS

A. PRESENT SITUATION:

1. MAJOR STATUTES THAT CONTROL THE TRUST FUND:

Section 19(f), Article III of the State Constitution requires that all newly created trust funds terminate not more than four years after the initial creation unless re-created. This provision also requires that trust funds be created or re-created by a three-fifths vote of the membership in each house of the Legislature in a separate bill for the sole purpose of creating or re-creating that trust fund. The SEED Trust Fund was created within the DEO effective July 1, 2011 by chapter 2011-138, Laws of Florida in s. 288.1201, F.S. and is scheduled to terminate on July 1, 2015.

2. BRIEF DESCRIPTION OF THE FUND'S USES OR PURPOSES:

Funds deposited into the trust fund are used for infrastructure and job creation opportunities and for transportation facilities, affordable housing programs and projects in accordance with ch. 420, F.S.; economic development incentives for job creation and capital investment; workforce training associated with locating a new business or expanding an existing business; and tourism promotion and marketing services, functions, and programs.

3. MAJOR SOURCES OF REVENUE FOR THE FUND:

Moneys credited to the trust fund consist of documentary stamp tax proceeds as specified in law, local financial support funds, interest earnings, and cash advances from other trust funds.

4. TOTAL PROJECTED RECEIPTS INTO THE FUND AND CURRENT YEAR APPROPRIATIONS FROM THE FUND:

Total projected receipts are \$150 million. The Fiscal Year 2013-14 appropriation level is \$117,016,648.

B. EFFECT OF PROPOSED CHANGES:

The bill re-creates the SEED Trust Fund without modification and repeals the scheduled termination of the trust fund.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

This legislation 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.

IV. COMMENTS

V. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES