

## SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based only on the provisions contained in the legislation as of the latest date listed below.)

Date: April 10, 1998 Revised: \_\_\_\_\_

Subject: Constitutional Amendment Authorizing Conservation and Recreation Bonds

	<u>Analyst</u>	<u>Staff Director</u>	<u>Reference</u>	<u>Action</u>
1.	<u>Gee</u>	<u>Voigt</u>	<u>NR</u>	<u>Favorable/CS</u>
2.	<u>_____</u>	<u>_____</u>	<u>WM</u>	<u>_____</u>
3.	<u>_____</u>	<u>_____</u>	<u>RC</u>	<u>_____</u>
4.	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
5.	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>

### I. Summary:

This resolution proposes an amendment to the State Constitution authorizing the sale of bonds to finance or refinance the acquisition and improvement of land, water areas, and related property interests and resources for the purposes of conservation, outdoor recreation, water resource development, restoration of natural systems, and historic preservation.

This resolution proposes an amendment to section 11, Art. VII of the State Constitution.

### II. Present Situation:

The Land Acquisition Trust Fund was created by the 1963 Legislature, pursuant to s. 375.041, F.S., to facilitate and expedite the acquisition of land, water areas, and related resources for outdoor recreation and natural resources conservation. The trust fund was an initial repository for funds used to acquire lands for state parks and preserves and later, in the 1980s, was the source of funds for the bond-funded Save Our Coasts program. Today, the proceeds from Preservation 2000 bond sales flow through the Land Acquisition Trust Fund into the Preservation 2000 Trust Fund.

The state's authority to issue bonds for programs such as Save Our Coasts and Preservation 2000 is provided by s. 17, Art. IX of the State Constitution of 1885, as adopted by s. 9(a), Art. XII of the State Constitution. This provision, contained in a footnote, authorizes the issuance of "revenue bonds, revenue certificates, or other evidence of indebtedness to acquire lands, water areas and related resources and to construct, improve, enlarge and extend capital improvements thereon in furtherance of outdoor recreation, natural resource conservation and related facilities in this state..." It also limits the Land Acquisition Trust Fund, described as "created for these multiple public purposes," to a life of 50 years from the date of the adoption of the amendment,

which occurred in 1963, according to staff of the State Board of Administration. Thus, the trust fund will expire in 2013.

The State Constitution provides that revenue bonds may be issued by the agency of the state so authorized by law to acquire lands and related resources in furtherance of outdoor recreation and natural resources conservation. Chapter 375, F.S., implements the constitutional authorization for issuance of revenue bonds for the stated purposes. Section 375.051, F.S., contains an express finding that the acquisition of lands and related resources by the Department of Environmental Protection is a public purpose for which revenue bonds may be issued.

The State Constitution provides that with respect to revenue bonds issued thereunder, the Legislature shall designate the revenue or tax sources to be deposited in or credited to the Land Acquisition Trust Fund for their payment. Section 201.15, F.S., implements the constitutional provisions by providing that a portion of the excise tax on documents, subject to the maximum amount limitations set forth therein, shall be transferred to the Land Acquisition Trust Fund to pay debt service on, or fund debt service reserve funds, rebate obligations, or other amounts with respect to bonds issued pursuant to s. 375.051, F.S., and payable from moneys transferred to the Land Acquisition Trust Fund pursuant to s. 201.15, F.S.

Under the provisions of the State Constitution, the Land Acquisition Trust Fund terminates November 5, 2013. Although it does not appear that the constitutional authorization for the issuance of bonds to acquire land, water areas and related resources requires the continued existence of the Land Acquisition Trust Fund in the State Constitution, the existing mechanism has a proven track record and a high level of operating continuity derived, in part, from its historical recognition in the State Constitution. In the absence of re-enactment of provisions to continue the Land Acquisition Trust Fund beyond the year 2013, no other similar mechanism will exist to facilitate the purchase of conservation and recreation lands using state revenue bond proceeds. Additionally, any remaining utilization of this mechanism until the year 2013 will likely experience marketing inefficiencies due to the increasingly shorter time frame for the duration of the bonds.

### **III. Effect of Proposed Changes:**

This joint resolution proposes an amendment to s. 11, Art. VII of the State Constitution to authorize the sale of bonds pledging all or part of a dedicated state tax revenue in the manner provided by general law to finance or refinance the acquisition and improvement of land, water areas, and related property interests and resources for the purposes of conservation, outdoor recreation, water resource development, restoration of natural systems, and historic preservation.

**IV. Constitutional Issues:**

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

**V. Economic Impact and Fiscal Note:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

There is no direct impact on the private sector, although the sale of bonds will require that some source of revenue be used for debt service, which will require the reallocation of funds currently used for other governmental services.

C. Government Sector Impact:

The sale of bonds at some future time would provide continuation of the on-going acquisition programs of state agencies and water management districts as well as require increasing resources for land management activities.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Amendments:**

None.

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This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.

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