

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.)

BILL: SB 906

SPONSOR: Senator Latvala & others

SUBJECT: Florida Forever Trust Fund

DATE: March 8, 1999 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Green</u>	<u>Voigt</u>	<u>NR</u>	<u>Fav/1 amendment</u>
2.	<u>Hendon</u>	<u>Hadi</u>	<u>FP</u>	<u>Favorable</u>
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

I. Summary:

This bill establishes the Florida Forever Trust Fund to be administered by the Department of Environmental Protection. Provides the sources of the fund and restrictions on its distribution. Requires the department to petition the Governor and Cabinet for immediate release of funds when disbursements outside the department are not likely to be disbursed in accordance with this bill's provisions. Provides an effective date contingent upon passage of SB 908 and requires a three-fifths vote of each house of the Legislature.

This bill creates s. 375.046, Florida Statutes.

II. Present Situation:

SB 908 establishes the Florida Forever Program, a 10-year bond funded land acquisition plan to carry on the goals of the Preservation 2000 Program. The Florida Forever Trust Fund, created in this bill (SB 906), is to be the repository for bond proceeds to fund the Florida Forever Program.

III. Effect of Proposed Changes:

This bill creates the Florida Forever Trust Fund to carry out the provisions of ss. 259.032, 259.202, and 375.031, F.S. The fund is to be administered by the Department of Environmental Protection. Moneys from the sale of revenue bonds issued under s. 375.051, F.S., and payable from moneys transferred to the Land Acquisition Trust Fund under 201.15(1)(a), F.S., shall be deposited into the fund. The fund shall not exceed \$3 billion and is to be distributed according to the provisions of 259.202(3), F.S. The bond resolution adopted by the Division of Bond Finance may contain additional provisions governing disbursement of the bond proceeds.

Revenues from the fund shall only be distributed to state agencies or local governments as provided in s. 259.202(3), F.S. Recipients shall spend the funds within 90 days after the department initiates the transfer.

An agency or water management district, having acquired land using Florida Forever funds, shall manage the lands for public recreational use, providing the use does not interfere with the protection of natural resource values. The agency or water management district, having purchased lands with Florida Forever funds, may enter into a leasing agreement with the department or other appropriate state agencies to make the lands available for public recreational use. It requires the department and water management districts to control nonnative, invasive plant species on lands purchased with Florida Forever Funds.

The department is required to administer and expend the fund in a way that ensures compliance of each issue of revenue bonds, issued on the basis that the interest thereon is excluded from gross income for federal income tax purposes, with the applicable provisions of the United States Internal Revenue Code. Further, the department shall use and disburse these revenue bond proceeds or require the use and disbursement of the proceeds in a manner that maximizes any benefits under the United States Internal Revenue Code or regulations promulgated pursuant to the code, providing these uses are not inconsistent with the purposes described in s. 259.202(3), F.S.

This bill provides the department, based on a determination that proceeds in the trust fund for distributions outside the department are not likely to be disbursed in accordance with other considerations in this bill, shall petition the Governor and Cabinet to allow immediate disbursement of the funds for the acquisition of projects approved for purchase pursuant to chapter 259.

This bill takes effect on the effective date of SB 908, but it shall not be effective unless it is enacted by a three-fifths vote of the membership of each house of the Legislature and unless SB 908 becomes law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

As required by s. 19(f)(1), Art. III of the State Constitution, trust funds must be created by a separate bill and must pass by a three-fifths vote of each house of the Legislature.

V. Economic Impact and Fiscal Note:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

The \$3 billion to be deposited in the Florida Forever Trust Fund would otherwise be deposited into the General Revenue Fund and used for various purposes.

C. Government Sector Impact:

This trust fund would fund the activities of the Florida Forever Program as provided for in SB 908.

VI. Technical Deficiencies:

Bond proceeds for the Florida Forever Program issued pursuant to s. 11, Art. VII of the State Constitution and payable from moneys transferred to the Land Acquisition Trust Fund may require debt service payments for the next 20 to 30 years. However, the Land Acquisition Trust Fund, created in s. 375.041, F.S., expires in 2013 pursuant to s. 9(a)(1), Art. XII of the State Constitution. Therefore, it may be necessary to recreate the Land Acquisition Trust Fund on or before 2013 to continue this arrangement for payments from the Land Acquisition Trust Fund.

VII. Related Issues:

None.

VIII. Amendments:

#1 by Natural Resources:

Technical amendment to insert SB 908 as the bill that must pass for this bill to become effective.