

STORAGE NAME: h0309a.wrm

DATE: March 11, 2000

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
WATER & RESOURCE MANAGEMENT
ANALYSIS**

BILL #: HB 309

RELATING TO: Water and Wastewater Treatment Trust Fund

SPONSOR(S): Representatives Boyd and Wiles

TIED BILL(S): HB 307

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) WATER and RESOURCE MANAGEMENT
 - (2) GOVERNMENTAL RULES and REGULATIONS
 - (3) COMMUNITY AFFAIRS
 - (4) GENERAL GOVERNMENT APPROPRIATIONS
 - (5)
-

I. SUMMARY:

HB 309 creates the Water and Wastewater Treatment Grant Program Trust Fund as a depository for the funds appropriated by the Legislature to implement the Safe Water Act of 2000, designed to provide grants to small-population cities and counties for water and wastewater improvements.

The Water and Wastewater Treatment Grant Program Trust Fund will be administered by the Department of Environmental Protection (DEP).

The trust fund is scheduled for repeal on July 1, 2005, and will be scheduled for legislative review prior to that date.

HB 309 must be approved by a three-fifths vote of the House and Senate. Another condition of HB 309's enactment is that legislation creating the Safe Drinking Act also has to pass. If both conditions are met, HB 309 would go into effect July 1, 2000.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|------------------------------|-----------------------------|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

Florida currently has a Wastewater State Revolving Loan Trust Fund, created in 1988, and a Drinking Water State Revolving Loan Trust Fund, created in 1997, as depositories of state and federal funds, loan repayments and interest earnings. Each of these trust funds is tied to its specific wastewater or drinking water program, which have state and federal eligibility requirements for receiving funding for loans or grants for appropriate infrastructure improvements.

For fiscal year 1999-2000, the Legislature appropriated \$113 million to the Wastewater State Revolving Loan Trust Fund and \$32 million to the Drinking Water State Revolving Loan Trust Fund.

C. EFFECT OF PROPOSED CHANGES:

HB 309 creates the Water and Wastewater Treatment Grant Program Trust Fund, in support of the Safe Water Act of 2000 proposed by HB 307. The trust fund will track receipts and expenditures of the Safe Water Act of 2000 program, administered by DEP, to provide grants to counties with fewer than 125,000 people and cities of fewer than 12,500 persons. These grants will finance construction of, or improvements to, water and wastewater infrastructure.

D. SECTION-BY-SECTION ANALYSIS:

Section 1: Creates the Water and Wastewater Treatment Grant Program Trust Fund for the purpose of providing grants to eligible local governments. Directs DEP to administer the trust fund.

Section 2: Specifies that in accordance with s. 19(f)(2), Art. III of the state Constitution, the trust fund shall be terminated on July 1, 2005, unless terminated sooner. Directs the Legislature, pursuant to s. 215.3206, F.S., to review the trust fund prior to its scheduled repeal.

Section 3: Provides that this act shall take effect on the effective date of Senate Bill ____ (actually meaning the tied substantive bill creating the Safe Water Act of 2000), and if it is enacted by a three-fifths vote of the membership of the House and Senate.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

See Fiscal Comments below.

2. Expenditures:

See Fiscal Comments below.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

If HB 307 or its Senate companion, SB 188, become law and the Safe Water Act of 2000 is enacted -- and if the Legislature appropriates the funds -- small-population counties and cities would be eligible for \$100 million annually, beginning in 2000-2001 through 2010-2011, for water and wastewater treatment grants.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Indeterminate, but likely positive.

D. FISCAL COMMENTS:

Subject to annual legislative appropriation, the Water and Wastewater Treatment Grant Program Trust Fund would be the depository of \$100 million annually, from fiscal year 2000-2001 through fiscal year 2010-2011, to implement the Safe Water Act of 2000.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

The mandates provision is not applicable to HB 309 because the bill does not require municipalities or counties to expend funds, or to take actions requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

HB 309 does not reduce the revenue-raising authority of municipalities or counties.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

HB 309 does not reduce the state sales tax revenues shared with counties or municipalities.

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V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

None.

C. OTHER COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

None.

VII. SIGNATURES:

COMMITTEE ON WATER and RESOURCE MANAGEMENT:

Prepared by:

Staff Director:

Joyce Pugh

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