

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 Agriculture Committee

BILL: SB 896

INTRODUCER: Senator Bennett

SUBJECT: Service Charges on State Trust Funds

DATE: March 2, 2011

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Weidenbenner	Spalla	AG	Pre-meeting
2.	_____	_____	JU	_____
3.	_____	_____	BC	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

The bill reduces the General Revenue service charge levied on the Clerks of the Court Trust Fund from 8 percent to 4 percent. It deletes language regarding a 4 percent service charge for certain trust funds administered by the Florida Department of Agriculture and Consumer Services (DACCS) which results in changing the service charge for some funds and a loss of exemption from a service charge for other funds.

This bill substantially amends section 215.20, Florida Statutes.

II. Present Situation:

Certain income and trust funds must contribute to the General Revenue Trust Fund a service charge of 8 percent on all income of a revenue nature unless specifically exempt or subject to a lesser rate. Currently, the Clerks of the Court Trust Fund is subject to the 8 percent rate, which is intended to cover the administration, collection, and management of the trust fund. The Florida Association of Court Clerks and Comptrollers (Association) asserts that the Clerks' responsibility for collecting, distributing, and managing the funds to 142 different entities lessens the need for outside administrative assistance and a related service charge. The Association projects a \$19 million shortage in available revenue for the current year and anticipates that deficit to grow even more in future years.¹

Subsection 215.20(1), F.S., provides that all trust funds are subject to an 8 percent General Revenue service charge unless exempt under s. 215.22, F.S., or unless subject to a 4 percent

¹ Memorandum from representative for the Florida Association of Court Clerks and Comptrollers (February 23, 2011).

service charge under subsection 215.20(2), F.S. with a further exception provided to the 4 percent service charge for certain enumerated funds administered by DACS. These funds are the Citrus Inspection Trust Fund, the Florida Forever Trust Fund, the Market Improvements Working Capital Trust Fund, the Pest Control Trust Fund and the Plant Industry Trust Fund which are also exempt from the 8 percent service charge under s. 215.22, F.S. These funds also include certain revenues in the General Inspection Trust Fund and the Conservation and Recreation Lands Program Trust Fund which are not exempt under s. 215.22, F.S., and are therefore subject to either a 4 percent or 8 percent service charge.

III. Effect of Proposed Changes:

Section 1 amends s. 215.20, F.S., to reduce the service charge on the Clerks of the Court Trust Fund from 8 percent to 4 percent and it deletes language providing for an exception to the 4 percent or 8 percent service charge for certain trust funds administered by DACS.

Section 2 provides that this act shall take effect July 1, 2011.

Other Potential Implications:

In addition to this bill changing the General Revenue service charge on the Clerks of the Court Trust Fund, some existing statutory language was deleted pertaining to service charges on other trust funds resulting in a negative impact on General Revenue service charges for certain trust funds administered by DACS.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

The bill reduces the statutory service charge fee for the Clerks of the Court Trust Fund from 8 percent to 4 percent and makes changes to the service charge fees applied to certain trust funds administered by DACS.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

As to the Clerks of the Court Trust Fund, the latest Revenue Estimating Conference estimates a reduction in the service charge from 8 percent to 4 percent would result in a reduction of \$18.85 million to the General Revenue Fund for FY 2011-12.

As to the funds administered by DACS, the department estimates the fiscal impact would be a reduction of fees to the General Revenue Fund in the amount of \$1,599,000 for the next two fiscal years, the details of which are set forth in the below table:

	FY 11-12	FY 12-13
Revenues:		
Recurring	-0-	-0-
Non-Recurring	-0-	-0-
Expenditures:		
Recurring:		
Citrus Inspection TF	\$457,000	\$457,000
Florida Forever TF	-0-	-0-
Market Improvements Working Capital TF	\$150,000	\$150,000
Pest Control TF	\$136,000	\$136,000
Plant Industry TF	\$123,000	\$123,000
General Inspection TF	(\$2,464,000)	(\$2,464,000)
Conservation & Recreation Lands TF	(\$1,000)	(\$1,000)
Total Recurring	(\$1,599,000)	(\$1,599,000)
Non-Recurring	-0-	-0-

B. Private Sector Impact:

None.

C. Government Sector Impact:

There would be a reduction of \$18.85 million in revenue to the General Revenue Fund and the Clerks of the Court Trust Fund would incur less fees in a like amount. There would be a reduction of \$1,599,000 in revenue to the General Revenue Fund from certain DACS trust funds.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
