

HOUSE OF REPRESENTATIVES STAFF FINAL BILL ANALYSIS

BILL #: HB 5701 PCB ITA 21-01 Trust Funds/Re-creation/Triumph Gulf Coast Trust Fund/DEO
SPONSOR(S): Infrastructure & Tourism Appropriations Subcommittee, Williamson and others
TIED BILLS: **IDEN./SIM. BILLS:** SB 1162, SB 7054

FINAL HOUSE FLOOR ACTION: 118 Y's 0 N's **GOVERNOR'S ACTION:** Approved

SUMMARY ANALYSIS

HB 5701 passed the House on April 8, 2021, as SB 7054.

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 requires that a trust fund 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 recreating that trust fund. The Triumph Gulf Coast Trust Fund was created in the Department of Economic Opportunity effective July 1, 2017, and is scheduled to terminate on July 1, 2021.

The bill re-creates the Triumph Gulf Coast Trust Fund in the Department of Economic Opportunity.

The bill has no fiscal impact.

The bill was approved by the Governor on April 19, 2021, chapter 2021-4, Laws of Florida, and became effective on that date.

I. SUBSTANTIVE INFORMATION

A. EFFECT OF PROPOSED CHANGES:

Present Situation

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 requires that a trust fund 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 recreating that trust fund. The Triumph Gulf Coast Trust Fund was created in the Department of Economic Opportunity effective July 1, 2017, by chapter 2017-64 Laws of Florida, in s. 288.80125, F.S., and is scheduled to terminate on July 1, 2021.

The trust fund is established for use as a depository for funds received from the settlement between the five gulf states and the BP entities as a result of the Deepwater Horizon oil spill. Seventy-five percent of all payments Florida receives pursuant to the settlement agreement are immediately transferred from the General Revenue Fund to the trust fund.

The total projected receipts into the trust fund are \$80 million. Pursuant to Florida Statutes, settlement funds transferred to the trust fund are subsequently released to the corporation within 30 days after such transfer. Interest earned on these funds while held by the corporation are deposited monthly into the Triumph Gulf Coast Trust Fund. Interest earnings in the current year are projected to total \$7,715,559.

Effect of the Bill

The bill re-creates the trust fund without modification.

II. 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.