

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/CS/HB 1319 Trust Funds/Institute of Food and Agricultural Sciences Relocation and Reconstruction Trust Fund/DOE

SPONSOR(S): Appropriations Committee, Postsecondary Education & Workforce Subcommittee, Tuck

TIED BILLS: None. **IDEN./SIM. BILLS:** SB 1476

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Postsecondary Education & Workforce Subcommittee	14 Y, 0 N, As CS	Dixon	Kiner
2) Appropriations Committee	26 Y, 1 N, As CS	Smith	Pridgeon
3) Education & Employment Committee			

SUMMARY ANALYSIS

The bill establishes the Institute of Food and Agricultural Sciences Renovations, Relocations, and Construction Trust Fund (trust fund) within the State University System under the jurisdiction of the Board of Governors and administered by the Department of Education. The trust fund is created to serve as a depository for funds received from the sale, trade, exchange, or disposal of state agricultural research and education real property and improvements that are leased to the University of Florida Board of Trustees (UF BOT) by the Board of Trustees of the Internal Improvement Trust Fund (BOT) and used by the University of Florida Institute of Food and Agricultural Sciences (UF/IFAS).

Pursuant to the bill, the BOT, at the request of the UF BOT, may sell, trade, exchange, or otherwise dispose of state agricultural research and education real property and improvements leased to the UF BOT and used by the UF/IFAS. The BOT must deposit the proceeds from the sale or other disposition into the trust fund to be used:

- By the UF BOT for the upgrade, renovation, and repair of existing properties, the relocation or construction of new agricultural research and education facilities.
- At the request of the UF BOT, by the BOT for the purchase of real property or improvements for the relocation or construction of new agricultural research and education facilities.

The bill requires any such sale to be at fair market value and any trade or exchange to be for property which has a fair market value equal to or greater than the property traded or exchanged.

The trust fund will terminate on July 1, 2028, unless terminated sooner. Before its scheduled termination, the bill requires the Legislature to review it as provided by law.

The bill has an indeterminate fiscal impact on state revenues and expenditures. See Fiscal Comments.

The bill has an effective date of July 1, 2024.

Article III, s. 19(f) of the State Constitution requires every trust fund to be created by a three-fifths vote of the membership of each house of the Legislature in a separate bill for the sole purpose of creating a trust fund. The bill creates a trust fund; thus, it requires a three-fifths vote for final passage.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

University of Florida, Institute of Food and Agricultural Sciences

The University of Florida, Institute of Food and Agricultural Sciences (UF/IFAS) is a federal-state-county partnership dedicated to developing knowledge in agriculture, human and natural resources, and the life sciences. UF/IFAS fulfills the university's land grant mission by working to enhance and sustain the quality of human life through its research facilities, extension services offered in every Florida county, and top-ranked education at the UF College of Agricultural and Life Sciences.¹

In addition to having extension services in every Florida county, UF/IFAS includes 16 Research and Education Centers, five Research and Demonstration Sites, and four 4-H camps.² In 2022, UF/IFAS reported holding 53,893 acres of land across the state, including 1,287 buildings. This accounts for 23 percent of all UF state-owned inventory.³

Internal Improvement Trust Fund

The state received 500,000 acres of land for internal improvement purposes through an Act of Congress passed on March 3, 1845. A portion of the granted land remains unsold. The funds generated from the sale of the land, both from previous sales and future sales, are considered part of this arrangement. Additionally, swampland or lands subject to overflow was granted to the state by an Act of Congress approved on September 28, 1850. All these lands and the proceeds from their sales were set apart and declared a separate fund known as the Internal Improvement Trust Fund of the state.⁴

All revenues accruing from sources designated by law, such as the sale of lands in possession of the BOT, for deposit in the Internal Improvement Trust Fund must be used for the acquisition, management, administration, protection, and conservation of state-owned lands.⁵

Board of Trustees of the Internal Improvement Trust Fund

The Board of Trustees (BOT) of the Internal Improvement Trust Fund is comprised of four trustees: the Governor, the Attorney General, the Chief Financial Officer, the Commissioner of Agriculture, and their successors in office. The BOT, as a collegial body, serves as the agency head, with the governor serving as the chair.⁶

The BOT is vested and charged with the acquisition, administration, management, control, supervision, conservation, protection, and disposition of all lands owned by the state or any of its agencies,

¹ University of Florida, *About UF/IFAS*, <https://ifas.ufl.edu/about-us/> (last visited Feb. 15, 2024).

² University of Florida Institute of Food and Agricultural Sciences, *Extension Offices and Research and Education Centers map*, <https://directory.ifas.ufl.edu/googleearthdisplay?pageID=1> (last visited Feb. 15, 2024).

³ University of Florida, *Cultivating Florida's Future*, at 8, <https://ifas.ufl.edu/media/ifasufledu/ifas-main-2020/documents/pdf/annual-reports/ADMIN-IFAS-Annual-Report-2022.pdf>. (last visited Feb. 15, 2024).

⁴ Section 253.01(1)(a), F.S.

⁵ Section 253.01(2), F.S.

⁶ Section 253.02(1), F.S.; see also, Board of Trustees of the Internal Improvement Trust Fund of the State of Florida, *Statement of Agency Organization and Operation*, https://floridadep.gov/sites/default/files/BOT_Statement_of_Agency_Organization_and_Operation_10.24.19.pdf#:~:text=T%20Board%20of%20Trustees%20of%20the%20Internal%20Improvement,the%20attorney%20general%2C%20and%20the%20commissioner%20of%20agriculture (last visited Feb. 15, 2024).

departments, boards, or commissions, subject to certain exclusions specified in law.⁷ In addition, the BOT is granted a comprehensive set of rights and powers, including ownership rights, legal claims, remedies in case of issues, the ability to take legal actions, and control over various matters that are relevant to their responsibilities.⁸

The BOT is not authorized to sell, transfer, or otherwise dispose of any lands the title to which is vested in the BOT except by vote of at least three of the four trustees.⁹ Apart from this restriction, the BOT possesses additional authority concerning easements for rights-of-way and submerged tidal lands. This includes the authority to approve easements for the construction and operations of electric transmission and distribution facilities, with the provision to delegate this authority to the Secretary of Environmental Protection. Additionally, the BOT is granted the power to acquire submerged lands through condemnations if it serves a public interest and purpose.¹⁰ Furthermore, a state entity holding the title to conservation lands may only dispose of such property by a two-thirds vote of the entity's governing board after the board determines the lands are no longer necessary for conservation purposes.¹¹

The Florida Department of Environmental Protection's Division of State Lands is Florida's lead agency for environmental management and stewardship, serving as staff to the BOT.¹² The Division of State Lands also provides oversight for the management of activities on more than 12 million acres of public lands, including lakes, rivers and islands. These public lands help ensure all Florida residents and visitors have the opportunity to truly appreciate Florida's unique landscapes.¹³

Trust Funds

A trust fund may be created by law only by the Legislature and only if passed by a three-fifths vote of the membership of each house in a separate bill for that purpose only. Except for trust funds being re-created by the Legislature, each trust fund must be created by statutory language that specifies at least the following:¹⁴

- The name of the trust fund.
- The agency or branch of state government responsible for administering the trust fund.
- The requirements or purposes that the trust fund is established to meet.
- The sources of moneys to be credited to the trust fund or specific sources of receipts to be deposited in the trust fund.

State trust funds are required to terminate, and are authorized to exist a maximum of four years from the effective date of the act authorizing the initial creation of the trust fund. The legislature may set a shorter time period for which any trust fund is authorized.¹⁵ However, certain trust funds are not subject to the termination provision. Among these are trust funds for institutions under the management of the

⁷ Section 253.03(1), F.S. Lands vested in the BOT of the Internal Improvement Trust Fund are: swamp and overflowed lands held by the state; all lands owned by the state by right of its sovereignty; internal improvements lands proper; tidal lands; lands covered by shallow waters of the ocean or gulf, or bays and lagoons, and all lands owned by the state covered in fresh water; all parks, reservations, and lands set aside in the name of the state, excluding certain transportation facilities and corridors; all lands which have accrued, or will accrue, to the state, with certain exceptions for transportation, spoil areas, flood control district, water management district, or navigation district. *Id.*

⁸ Section 253.02(1), F.S.

⁹ Section 253.02(2)(a), F.S.

¹⁰ Section 253.02(2)(b) and (c), F.S.

¹¹ See art. X, s. 18, Fla. Const.

¹² Florida Department of Environmental Protection, *Division of State Lands*, <https://floridadep.gov/lands> (last visited Feb. 15, 2024).

¹³ *Id.*

¹⁴ Section 215.3207, F.S.

¹⁵ Art. III, s. 19(f)(2), Fla. Const.

Board of Governors, where such trust funds are for auxiliary enterprises¹⁶ and contracts, grants, and donations¹⁷, as those terms are defined by general law.¹⁸

Before the regular session of the Legislature preceding the termination date of any trust fund, the agency responsible for the administration of the trust fund and the Governor, for executive branch trust funds, or the Chief Justice, for judicial branch trust funds, must review the purpose and use of the trust fund. Based on this review, a recommendation must be provided to the President of the Senate and the Speaker of the House of Representatives regarding whether the trust fund should be allowed to terminate or if it should be re-created. A recommendation to re-create a trust fund may also include suggested modifications to the purpose, sources of receipts, and allowable expenditures for the trust fund. Recommendations from agencies or the Chief Justice must be made as part of the legislative budget request to the Legislature, and recommendations from the Governor must be made part of the recommended budget presented to the Legislature.¹⁹

If the decision is made to terminate the trust fund and not immediately re-create it, all cash balances and income of the trust fund are to be deposited into the General Revenue Fund.

The responsible agency or Chief Justice is required to promptly pay any outstanding debts of the trust fund. The Chief Financial Officer must close out and remove the trust fund from various state financial systems, adhering to generally accepted accounting practices related to outstanding warrants, assets, and liabilities. No appropriation or budget amendment is authorized to encumber funds from a trust fund after its termination date or if it is judicially determined to be invalid.²⁰

Effect of Proposed Changes

The bill establishes the Institute of Food and Agricultural Sciences Renovations, Relocations, and Construction Trust Fund (trust fund) within the State University System under the jurisdiction of the Board of Governors and administered by the Department of Education. The trust fund is created to serve as a depository for funds received from the sale, trade, exchange, or disposal of state agricultural research and education real property and improvements that are leased to the University of Florida Board of Trustees (UF BOT) by the Board of Trustees (BOT) of the Internal Improvement Trust Fund and used by the University of Florida Institute of Food and Agricultural Sciences (UF/IFAS).

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¹⁶ Section 1011.47(1), F.S., provides the term, “auxiliary enterprises” includes “activities that directly or indirectly provide a product or a service, or both, to a university or its students, faculty, or staff and for which a charge is made. These auxiliary enterprises are business activities of a university which require no support from the General Revenue Fund, and include activities such as housing, bookstores, student health services, continuing education programs, food services, college stores, operation of vending machines, specialty shops, day care centers, golf courses, student activities programs, data center operations, and intercollegiate athletics programs.”

¹⁷ Section 1011.47(2), F.S., provides the term, “contracts, grants, and donations” includes noneducational and general funding sources in support of research, public services, and training. The term includes grants and donations, sponsored-research contracts, and Department of Education funding for lab schools and other activities for which the funds are deposited outside the State Treasury.

¹⁸ Art. III, s. 19(f)(3), Fla. Const.

¹⁹ Section 215.3206(1), F.S.

²⁰ Section 215.3206(2), F.S.

The trust fund will terminate on July 1, 2028, unless terminated sooner. Before its scheduled termination, the bill requires the Legislature to review it as provided by law.

B. SECTION DIRECTORY:

Section 1: Creates s. 1004.331, F.S.; creating the Institute of Food and Agricultural Sciences Renovation, Relocation, and Construction Trust Fund for specified purposes; authorizing the Board of Trustees of the Internal Improvement Trust Fund, at the request of the University of Florida Board of Trustees, to sell, trade, exchange, or otherwise dispose of specified real property and improvements; requiring such funds to be deposited into the trust fund for specified purposes; authorizing the Board of Trustees of the Internal Improvement Trust Fund, at the request of the University of Florida Board of Trustees, to purchase real property or improvements for specified facilities; providing requirements for such sales and trades or exchanges; providing for future review and termination or re-creation of the fund.

Section 2: Provides an effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:
See Fiscal Comments.
2. Expenditures:
See Fiscal Comments.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:
None.
2. Expenditures:
None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

The bill has an indeterminate fiscal impact on state revenues and expenditures. To the extent the bill changes the current process for the sale, trade, exchange, or disposal of state agricultural research and education real property, the entities currently receiving those revenues for the acquisition, management, administration, protection and conservation of state-owned lands may be negatively impacted by an indeterminate amount.

The bill will have an indeterminate positive fiscal impact on the University of Florida Institute of Food and Agricultural Sciences that will be able to utilize this revenue source for upgrades to, and renovation and repair of, existing properties and the relocation or construction of new agricultural research and education facilities.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

None.

2. Other:

State trust funds are required to terminate, and are authorized to exist a maximum of four years from the effective date of the act authorizing the initial creation of the trust fund. The Legislature may set a shorter time period for which any trust fund is authorized.²¹

The trust fund will terminate on July 1, 2028, unless terminated sooner. Before its scheduled termination, the bill requires the Legislature to review it as provided by law.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

On Jan. 25, 2024, the Postsecondary Education & Workforce Subcommittee adopted an amendment and reported the bill favorably as a committee substitute. The amendment specifies that, under Article III., s. 19(f)(2), the trust fund will terminate on July 1, 2028, unless terminated sooner. Before its scheduled termination, the bill requires the Legislature to review it as provided by law.

On Feb. 20, 2024, the Appropriations Committee adopted an amendment and reported the bill favorably as a committee substitute. The amendment specifies that the Institute of Food and Agricultural Sciences Renovations, Relocations, and Construction Trust Fund is to be administered by the Department of Education, as required in s. 215.3207, F.S.

The bill analysis is drafted to the committee substitute adopted by the Appropriations Committee.

²¹ FLA. CONST. art. III, s. 19(f)(2).
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DATE: 2/21/2024