



THE FLORIDA SENATE
SENATOR ANDY GARDINER
President

TO: All Senators
FROM: Andy Gardiner, President
SUBJECT: Legislation to Implement Amendment 1
DATE: January 30, 2015

The Florida Water and Land Conservation Amendment, Article X, Section 28 of the Florida Constitution, was passed by 74.96 percent of voters in November of 2014 and will take effect on July 1, 2015.

The provisions of Article X, Section 28 require the Legislature to do three things to implement the constitutional amendment:

- Transfer 33 percent of the documentary stamp tax revenues to the Land Acquisition Trust Fund (LATF) within the Department of Environmental Protection (DEP);
- Spend the money placed in the LATF on specified water, land, environmental, recreational, and historic preservation purposes as provide by law; and,
- Prevent the commingling of these funds with the state's general revenue.

In order to implement these three basic requirements of the constitutional amendment Senator Dean, Chair of our Senate Committee on Environmental Preservation and Conservation, is proposing a series of six related bills. **These six key pieces of legislation create the structure necessary to provide accountability and transparency for the expenditure of documentary stamp tax dollars as directed by the constitution.**

Based on the December 2014 Revenue Estimating Conference, during the 2015-2016 fiscal year, 33 percent of documentary stamp funding will amount to \$757.7 million.

Currently, approximately twenty percent of documentary stamp tax revenues (\$470.8 million) are distributed under s. 201.15, F.S., to trust funds supporting environmental programs. However, documentary stamp tax revenues in these trust funds are frequently co-mingled with various penalties, fines, fees, and taxes. Given that these monies are fungible, it is impossible to determine whether documentary stamp tax revenues or some other revenue source was expended on a specific program. Under the new reality of Amendment 1, Chair Dean's legislation is

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essential because Amendment 1 prohibits comingling with general revenue that is currently permissible.

From a structural standpoint, this means many environmental programs will no longer receive appropriations through their current trust funds. Those trust funds will be terminated and the associated programs will be eligible for funding from the LATF. The bill summaries below are designed to provide an overview of these changes so you can have a clear picture of which trust funds will be terminated and the new vehicle by which impacted programs could receive funding.

The legislation filed today by Chair Dean addresses only the structural requirements of the constitution. **The legislation does not eliminate a single program currently receiving state funding, nor does it allocate funding to any new or existing program, project, or initiative.**

The redirection of 33 percent of the documentary stamp tax revenue into the LATF as directed by the constitution does, however, have a significant impact on other programs and sources currently funded by documentary stamp tax revenues (specifically transportation, affordable housing, economic development, and general revenue) that will need to be considered in the appropriations process.

Specific policy and funding decisions will be crafted into legislation in the coming weeks as our committees continue to take public comment and review options. To date, we have received over 3,800 comments which our committees will have the opportunity to review as we work to develop a water and natural resources policy that will best serve the long-term needs of our state.

Bill Summaries:

SB 586 revises section 201.15, F.S., to provide the distribution of 33 percent of documentary stamp tax revenues into the LATF within the DEP. The bill removes existing distributions to environmental trust funds in recognition that future expenditures for qualifying environmental programs will be appropriated from the LATF so that these expenditures will be transparent. The language ensures documentary stamp tax revenues continue to fully secure existing debt service payments as a first priority. The bill also provides for the funding of payments in lieu of taxes that were previously funded from one of the environmental trust funds because it appears these payments do not qualify for expenditure from the LATF under the constitutional amendment.

<p>SB 584 restructures existing trust funds so documentary stamp tax is no longer commingled with other revenue sources to provide the greatest level of accountability and transparency. Documentary stamp tax revenue intended for expenditure under the constitutional amendment will only be deposited into the LATF within the DEP. This restructuring will not only meet the letter of the constitutional provision (“the Land Acquisition Trust Fund shall receive no less than 33 percent of net revenues derived from the existing excise tax on documents”) but will also ensure citizens can track the LATF funds previously commingled with other revenue sources. Because the documentary stamp tax revenue will now be deposited and distributed from the LATF a number of trust funds will become obsolete or contain so little revenue from other sources as to render them inefficient from a budgeting stand point. While a number of trust funds will be terminated, the programs funded using those trust funds will remain intact. These programs will simply receive funding from the LATF or other designated trust funds.</p>	
Terminated Trust Fund	Trust Fund Redirect
Florida Communities Trust Fund	Land Acquisition TF for Documentary Stamp Tax
	Internal Improvement TF for funds from nonprofits or local government grants and loans
Ecosystem Management and Restoration Trust Fund	Land Acquisition TF for Documentary Stamp Tax
	Coastal Protection TF for fines and penalties (Beaches)
	Water Quality Assurance TF for fines and penalties (Water and Coral Reefs)
	Florida Permit Fee TF for penalties and damages recovered by the state.
Water Management Lands Trust Fund	Land Acquisition TF for Documentary Stamp Tax
	Water Quality Assurance TF for fines and penalties (Water and for other penalties recovered by water management districts)
Conservation and Recreation Lands Program Trust Fund within DACS	Land Acquisition TF for Documentary Stamp Tax
	Incidental TF for funds other than LATF funds
Conservation and Recreation Lands Trust Fund within DEP	Land Acquisition TF for Documentary Stamp Tax
	State Parks TF for Severance Tax

Conservation and Recreation Lands Program Trust Fund within FWC	Land Acquisition TF for Documentary Stamp Tax
P2000 Trust Fund	Obsolete

SB576, SB578, SB580, and SB582 create new Land Acquisition Trust Funds within the Agency for Persons with Disabilities, Department of Agriculture and Consumer Services, Department of State, and Department of Transportation. These trust funds, along with the LATF that already exists within the Florida Wildlife Commission, will serve as the agency trust funds that will receive documentary stamp tax revenues appropriated from the LATF within the DEP for expenditure on specific qualifying programs in those agencies. Like the LATF within DEP, these “mini-LATFs” will hold only documentary stamp tax revenues so that each dollar of the 33 percent set aside pursuant to the constitution can be easily followed all of the way through to its ultimate expenditure. The Agency for Persons with Disabilities is included because the Agency manages Rish Park, the only state park dedicated for use by persons with disabilities. The Department of Transportation is included for funding for the development of the state’s recreational trail system.