

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Not applicable.

B. EFFECT OF PROPOSED CHANGES:

Present situation:

Section 19(f), Art. III of the State Constitution requires that trust funds be created by a three-fifths vote of the membership in each house and be in a separate bill for the sole purpose of creating that trust fund. The Constitution also requires that all newly created agency trust funds terminate every four years unless recreated.

Section 215.3208(1), F.S., provides that, in order to implement s. 19(f), Art. III of the State Constitution, a schedule for review of trust funds be included in the legislative budget instructions developed pursuant to s. 216.023, F.S. The trust funds in the Department of Revenue are scheduled for review this year.

Currently, audit, warrant, and governmental leaseholds receipts are deposited into the Administrative Trust Fund in the General Tax Administration Program. Pursuant to s. 215.32, F.S., the Administrative Trust Fund is to be used as a depository for funds for management activities that are departmental in nature and funded by indirect cost earnings and assessments against trust funds.

Proposed changes:

The creation of this trust fund will allow the department to deposit audit receipts, warrant receipts, and governmental leasehold funds to this particular trust fund for subsequent annual distribution to local school boards. The department is requesting this as a distinct fund for these three types of receipts, instead of using the Administrative Trust Fund for this purpose.

The creation of this trust fund will align agency accounts with the requirements of s. 215.32, F.S.

The trust fund will terminate in four years, on July 1, 2011, pursuant to s. 19 (f)(2), Art. II of the State Constitution, unless recreated by the Legislature.

C. SECTION DIRECTORY:

Section 1. Creates the Audit and Warrant Clearing Trust Fund within the Department of Revenue for use as a depository for funds subsequently distributed annually to local school boards. Requires termination of the trust fund on July 1, 2011, unless re-created.

Section 2. Provides an effective date of July 1, 2007.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

No impact of municipal or county governments.

2. Other:

This bill creates a new trust fund and must pass the Legislature by a three-fifths vote of the membership of each house to become law pursuant to s. 19 (f), Article III of the State Constitution.

B. RULE-MAKING AUTHORITY:

Not required.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

D. STATEMENT OF THE SPONSOR

No statement submitted.

IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES

None.