

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCB TED 10-02 Trust Funds/Transportation Governmental Bond Trust
Fund/DOT
SPONSOR(S): Transportation & Economic Development Appropriations Committee
TIED BILLS: **IDEN./SIM. BILLS:**

	REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
Orig. Comm.:	Transportation & Economic Development Appropriations Committee	14 Y, 0 N	Fennell	Creamer
1)				
2)				
3)				
4)				
5)				

SUMMARY ANALYSIS

This legislation creates the Transportation Governmental Bond Trust Fund within the Department of Transportation. This trust fund will serve as a depository of bond proceeds, issued for eligible transportation projects.

The bill adds a trust fund termination date of July 1, 2014.

This bill has an effective date of July 1, 2010; however, a three-fifths vote of the membership or each house of the Legislature is required for it to take effect.

HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation:

Section 215.615, F.S., provides the Department of Transportation the authority to issue fixed-guideway bonds and section 215.616, F.S., provides the Department the authority to issue federal grant revenue anticipation bonds. Typically, bond covenants require segregation of bond issuance proceeds. The Department does not believe existing trust funds within the Department whose purpose it is to hold bond proceeds will be sufficient to meet this requirement.

Article III, Section 19(f) of the Florida Constitution requires the termination of all state trust funds within four years of their initial creation, unless exempt by the Constitution or operation of law.

Article III, section 19(f)(1), of the Florida Constitution, provides no trust fund of the state or other public body may be created without three-fifths vote of the membership of each house of the Legislature in a separate bill for that purpose only.

Potential Changes:

The Transportation Governmental Bond Trust Fund will be created effective July 1, 2010. Proceeds from bonds will be deposited into the trust fund.

B. SECTION DIRECTORY:

Section 1 creates the Transportation Governmental Bond Trust Fund.

Section 2 provides an effective date of July 1, 2010; however, requires a three-fifths vote of both houses of the Legislature to become effective.

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:

None.

2. Other:

Article III, section 19(f)(1), of the Florida Constitution, provides no trust fund of the state or other public body may be created without three-fifths vote of the membership of each house of the Legislature in a separate bill for that purpose only.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES