

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCB TED 10-07 Trust Funds/Federal Grants Trust Fund/DCA

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 Federal Grants Trust Fund within the Department of Community Affairs. This trust fund will serve as a depository of grants and funding from the federal government, interest earnings, and cash advances from other trust funds.

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:

The Department of Community Affairs has multiple trust funds that contain grants and funding from the federal government, which causes multiple accounting entries when allocating departmental costs.

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 Federal Grants Trust Fund will be created at the Department of Community Affairs effective July 1, 2010. Proceeds from grants and funding from the federal government will be deposited into the trust fund.

B. SECTION DIRECTORY:

Section 1 creates the Federal Grants 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