

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCB NRAC 09A-02 Land Acquisition Trust Fund Conforming Bill
SPONSOR(S): Natural Resources Appropriations Committee; Poppell
TIED BILLS: **IDEN./SIM. BILLS:**

	REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
Orig. Comm.:	Natural Resources Appropriations Committee		Smith	Lachat
1)				
2)				
3)				
4)				
5)				

SUMMARY ANALYSIS

The excise tax on documents levied under Chapter 201, F.S., provides revenue to the General Revenue Fund and various trust funds, including the Land Acquisition Trust Fund (Fund) in the Department of Environmental Protection. Section 201.15, F.S., provides for the distribution of the revenues collected from the excise tax on documents. Pursuant to s. 201.15(3), F.S., after service charges and costs of administering the tax are deducted, each fiscal year the Fund receives the lesser of 1.94% of tax revenues or \$26 million to acquire coastal lands or to pay debt service on bonds issued to acquire coastal lands and to develop and manage lands acquired with moneys from the Land Acquisition Trust Fund.

Beginning with the 2009-2010 fiscal year, this bill redistributes to the General Revenue Fund a portion of the revenues collected from the excise tax on documents that are currently distributed to the Land Acquisition Trust Fund in the Department of Environmental Protection. The bill provides for these revenues to be distributed in the following order:

- Amounts needed to pay debt service or to fund debt service reserve funds, rebate obligations, or other amounts payable with respect to bonds issued before February 1, 2009, which are secured by revenues provided by this subsection shall be paid into the State Treasury to the credit of the Land Acquisition Trust Fund;
- \$11 million shall be paid into the State Treasury to the credit of the General Revenue Fund; and
- The remainder shall be paid into the State Treasury to the credit of the Land Acquisition Trust Fund.

The effective date of the bill is upon becoming law.

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:

Present Situation

Section 375.041, F.S., creates the Land Acquisition Trust Fund (Fund) in the Department of Environmental Protection and provides for the following uses of funds deposited into the fund:

- Moneys on deposit in the Fund shall be first applied to pay the rentals due under lease-purchase agreements or to meet debt service requirements of revenue bonds issued pursuant to s. 375.051, F.S.; provided, however, that debt service on Save Our Coast bonds shall not be paid from moneys transferred to the Land Acquisition Trust Fund pursuant to s. 259.032(2)(b), F.S.;
- Any moneys in the Fund which are not pledged for rentals or debt service may be expended from time to time to acquire land, water areas, and related resources and to construct, improve, enlarge, extend, operate, and maintain capital improvements and facilities in accordance with the plan;
- In addition to the uses allowed above, for the 2008-2009 fiscal year, moneys in the Fund are authorized for transfer to the Ecosystem Management and Restoration Trust Fund for grants and aids to local governments for water projects as provided in the General Appropriations Act. This paragraph expires July 1, 2009.

The excise tax on documents levied under Chapter 201, F.S., provides revenue to the General Revenue Fund and various trust funds, including the Land Acquisition Trust Fund in the Department of Environmental Protection. Section 201.15, F.S., provides for the distribution of the revenues collected from the excise tax on documents. Pursuant to s. 201.15(3), F.S., after service charges and costs of administering the tax are deducted, each fiscal year the Fund receives the lesser of 1.94% of tax revenues or \$26 million to acquire coastal lands or to pay debt service on bonds issued to acquire coastal lands and to develop and manage lands acquired with moneys from the Land Acquisition Trust Fund. The Revenue Estimating Conference estimates the Fund will receive \$22.58 million from documentary stamp tax collections in fiscal year 2008-09.¹

¹ Documentary Stamp Tax Collections and Distributions, Nov 08, <http://edr.state.fl.us/conferences/docstamp/Doc%20Stamp%20Distribution%20November%202008.pdf>.

Effect of Proposed Changes

Beginning with the 2009-2010 fiscal year, this bill redistributes to the General Revenue Fund a portion of the revenues collected from the excise tax on documents that are currently distributed to the Land Acquisition Trust Fund in the Department of Environmental Protection. The bill provides for these revenues to be distributed in the following order:

- Amounts needed to pay debt service or to fund debt service reserve funds, rebate obligations, or other amounts payable with respect to bonds issued before February 1, 2009, which are secured by revenues provided by this subsection shall be paid into the State Treasury to the credit of the Land Acquisition Trust Fund;
- \$11 million shall be paid into the State Treasury to the credit of the General Revenue Fund; and
- The remainder shall be paid into the State Treasury to the credit of the Land Acquisition Trust Fund.

B. SECTION DIRECTORY:

Section 1. Amends subsection (3) of s. 201.15, F.S., redirecting documentary stamp tax revenues from the Land Acquisition Trust Fund within the Department of Environmental Protection to the General Revenue Fund.

Section 2. Provides an effective date of upon becoming law.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The bill annually redirects \$11 million in documentary stamp tax collections from the Land Acquisition Trust Fund to the General Revenue Fund beginning in fiscal year 2009-2010.

2. Expenditures:

The bill reduces revenues available for expenditures from the Land Acquisition Trust Fund by \$11 million for fiscal year 2009-2010 and each fiscal year thereafter. The reduced revenues are likely to result in reduced appropriations and expenditures for the purposes authorized for these funds: to acquire coastal lands or to pay debt service on new bonds issued to acquire coastal lands and to develop and manage lands acquired with moneys from the Fund.

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:

The bill does not appear to require municipalities or counties to take action requiring the expenditure of funds, reduce the authority that counties or municipalities have to raise revenue in the aggregate, nor reduce the percentage of a state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill does not provide rulemaking.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES

N/A.