

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCB ANRAS 14-01 Trust Funds/Termination & Administration/DACS

SPONSOR(S): Agriculture & Natural Resources Appropriations Subcommittee

TIED BILLS: **IDEN./SIM. BILLS:** SB 678

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Agriculture & Natural Resources Appropriations Subcommittee		Lolley	Massengale

SUMMARY ANALYSIS

To implement Article III, section 19(f), of the State Constitution, section 215.3208(1), Florida Statutes, specifies that a schedule for review of trust funds be included in the legislative budget instructions developed pursuant to section 216.023, Florida Statutes. The trust funds in the Department of Agriculture and Consumer Services are scheduled for review this year.

Consistent with all of the remaining trust funds administered by the department, the bill codifies into chapter 570, Florida Statutes, the Administrative Trust Fund, the Federal Grants Trust Fund, the Florida Saltwater Products Promotion Trust Fund, the Plant Industry Trust Fund, the Pest Control Trust Fund, the Citrus Inspection Trust Fund, and the Incidental Trust Fund.

The bill terminates the Agricultural Law Enforcement Trust Fund, the Market Trade Show Trust Fund, and the Relocation and Construction Trust Fund effective July 1, 2014; transfers all cash balances and revenues to other trust funds; and amends sections 253.025, 571.24 and 932.7055, Florida Statutes, making conforming changes. The bill also requires the Department of Agriculture and Consumer Services to pay any outstanding debts or obligations. The bill also requires the Chief Financial Officer to close out and remove the terminated funds from the various state accounting systems.

Because the bill merely transfers unexpended balances, revenue sources, and appropriations between trust funds, there is no fiscal impact on state and local governments or the private sector.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

To implement Article III, section 19(f), of the State Constitution, section 215.3208(1), Florida Statutes, specifies that a schedule for review of trust funds be included in the legislative budget instructions developed pursuant to section 216.023, Florida Statutes. The trust funds in the Department of Agriculture and Consumer Services are scheduled for review this year.

Most of the department's trust funds are established in Florida Statutes except for the Administrative Trust Fund, the Citrus Inspection Trust Fund, the Federal Grants Trust Fund, the Florida Saltwater Products Promotion Trust Fund, the Incidental Trust Fund, the Pest Control Trust Fund, and the Plant Industry Trust Fund. These trust funds were previously created and re-created in conformity with Florida law, but have never been specifically codified in Florida Statute.

The *Administrative Trust Fund* was last re-created in chapter 2004-113, Laws of Florida, as a depository for funds to be used for management activities that are departmental in nature. Revenue sources consist of indirect cost earnings and assessments against trust funds.

The Contracts and Grants Trust Fund was renamed as the *Federal Grants Trust Fund* effective July 1, 2007, in chapter 2006-79, Laws of Florida. Revenue sources consist of grants and funding from the federal government and interest earnings.

The *Florida Saltwater Products Promotion Trust Fund* was last re-created in chapter 2004-128, Laws of Florida, for the sole purpose of promoting all fish and saltwater products produced in this state.¹ Revenue sources include a 25 percent distribution of saltwater products license fees collected by the Fish and Wildlife Conservation Commission, saltwater products dealer's license fees, and interest earnings.

The *Plant Industry Trust Fund* was last re-created in chapter 2004-124, Laws of Florida, to defray expenses in carrying out the duties imposed on the department by chapters 581, 586, and sections 593.101 through 593.117, Florida Statutes, which regulate nurseries, honeybee colonies, and boll weevil eradication. Revenue sources include inspection fees, certifications, assessments, and permit fees as applied to nurseries, pest and plant eradication, and apiaries.

The *Pest Control Trust Fund* was last re-created in chapter 2004-125, Laws of Florida, to carry out the provisions of chapter 482, Florida Statutes, including licensing of pest control businesses, examinations for operators' certificates and in the education of the pest control industry.² Revenue sources include license, examination, certification, and commercial fees and fines.

The *Citrus Inspection Trust Fund* was last re-created in chapter 2004-115, Laws of Florida, to defray costs incurred as a result of inspecting and certifying citrus fruit and processed citrus products.³ Revenue sources include various inspection fees, citrus dealer licenses, and the citrus marketing order.

The *Incidental Trust Fund* was last re-created in chapter 2004-121, Laws of Florida, to promote and encourage good forest management, including fire protection, education, stewardship, recreation, tree planting and care, and the proper management of public lands.⁴ Revenue sources include sale of forest products; nursery and recreation receipts; fire suppression, plowing, and prescribed burning program income; and fees and rent for use of facilities.

¹ Section 379.362, F.S.

² Section 482.2401, F.S.

³ Section 601.28, F.S.

⁴ Section 589.04, F.S.

As a part of the review, three trust funds were identified for potential termination because revenue collections and expenditures are sporadic and because of the ability to account for their activities within the department's other larger trust funds. These are the Agricultural Law Enforcement Trust Fund, the Market Trade Show Trust Fund, and the Relocation and Construction Trust Fund.

The *Agricultural Law Enforcement Trust Fund* was authorized in section 932.7055, Florida Statutes, as a depository for revenues received as a result of state or federal criminal proceedings or forfeiture proceedings. Revenues are generally used for acquisition of motor vehicles and salary incentive payments and vary according to the amount of criminal and forfeiture receipts each year. The total cash and investment balance as of December 31, 2013 was \$256,384.

The *Market Trade Show Trust Fund* was last re-created in chapter 2004-122, Laws of Florida, to offset costs in promoting and marketing Florida's agricultural and agricultural business products. The major source of revenue is rental receipts collected from the agricultural industry associated with state, national, and international trade shows. The total cash and investment balance as of December 31, 2013 was \$1,080,413.

Finally, the *Relocation and Construction Trust Fund* was created in section 253.025, Florida Statutes, for the sole purpose of achieving the orderly relocation of the forestry fire towers and work centers. The source of revenue for the trust fund is the sale or lease of forestry facilities. The total cash and investment balance as of December 31, 2013 was \$433,421.

Effect of Proposed Changes

Consistent with all of the remaining trust funds administered by the department, the bill codifies into chapter 570, Florida Statutes, the Administrative Trust Fund, the Federal Grants Trust Fund, the Florida Saltwater Products Promotion Trust Fund, the Plant Industry Trust Fund, the Pest Control Trust Fund, the Citrus Inspection Trust Fund, and the Incidental Trust Fund.

The bill terminates the Agricultural Law Enforcement Trust Fund, effective July 1, 2014; transfers all cash balances and revenues to the General Inspection Trust Fund; and makes a conforming change to section 932.7055, Florida Statutes.

The bill terminates the Market Trade Show Trust Fund, effective July 1, 2014, and transfers all cash balances and revenues to the Florida Agricultural Promotional Campaign Trust Fund. The bill also amends section 571.24, Florida Statutes to authorize the department to collect rental receipts for industry promotions.

The bill terminates the Relocation and Construction Trust Fund, effective July 1, 2014; transfers all cash balances, revenues, and outstanding appropriations to the Incidental Trust Fund; and makes a conforming change to section 253.025, Florida Statutes.

The bill requires the Department of Agriculture and Consumer Services to pay any outstanding debts or obligations for the terminated trust funds and requires the Chief Financial Officer to close out and remove the terminated funds from the various state accounting systems.

B. SECTION DIRECTORY:

Section 1. Terminates the Agricultural Law Enforcement Trust Fund; transferring remaining balances, and revenues to the General Inspection Trust Fund.

Section 2. Terminates the Market Trade Show Trust Fund; transferring remaining balances and revenues to the Florida Agricultural Promotional Campaign Trust Fund.

Section 3. Terminates the Relocation and Construction Trust Fund; transferring remaining balances, revenues, and outstanding appropriations to the Incidental Trust Fund.

Section 4. Creates s. 570.192, F.S., codifying the Administrative Trust Fund.

Section 5. Creates s. 570.193, F.S., codifying the Federal Grants Trust Fund.

Section 6. Creates s. 570.194, F.S., codifying the Florida Saltwater Products Promotion Trust Fund.

Section 7. Creates s. 570.321, F.S., codifying the Plant Industry Trust Fund.

Section 8. Creates s. 570.441, F.S., codifying the Pest Control Trust Fund.

Section 9. Creates s. 570.482, F.S., codifying the Citrus Inspection Trust Fund.

Section 10. Creates s. 570.5481, F.S., codifying the Incidental Trust Fund.

Section 11. Amends s. 571.24, F.S., providing for collection of rental receipts for industry promotions.

Section 12. Amends s. 253.025, F.S., providing for revenues from the sale or lease of forestry facilities in the Incidental Trust Fund.

Section 13. Amends s. 932.7055, F.S., providing for revenues from state or federal criminal proceedings or forfeiture proceedings in the General Inspection Trust Fund.

Section 14. Provides an effective date.

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:

Because the bill merely transfers unexpended balances, revenue sources, and appropriations from the terminated trust funds to more pertinent trust funds, there is no fiscal impact on state and local governments or the private sector.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

Not applicable.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES