

# HOUSE OF REPRESENTATIVES TRUST FUND RE-CREATION STAFF ANALYSIS

**BILL #:** PCB TEDAS 14-01 State Economic Enhancement and Development Trust Fund/DEO  
**SPONSOR(S):** Transportation & Economic Development Appropriations Subcommittee; Hooper  
**TIED BILLS:** **IDEN./SIM. BILLS:** SB 684

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Transportation & Economic Development Appropriations Subcommittee	9 Y, 0 N	Proctor	Davis

## I. SUMMARY

Section 19(f), Article III of the State Constitution requires that all newly created trust funds terminate not more than four years after the initial creation unless re-created. This provision also requires that trust funds be created or re-created by a three-fifths vote of the membership in each house of the Legislature in a separate bill for the sole purpose of creating or re-creating that trust fund. The State Economic Enhancement and Development (SEED) Trust Fund within the Department of Economic Opportunity (DEO) became effective July 1, 2011 in Ch. 2011-138, Laws of Florida, and is scheduled to terminate on July 1, 2015.

This legislation re-creates the SEED Trust Fund within the DEO without modification, effective July 1, 2014, provided that it is enacted by three-fifths of the membership of both houses of the Legislature.

## II. SUBSTANTIVE ANALYSIS

### A. PRESENT SITUATION:

#### 1. MAJOR STATUTES THAT CONTROL THE TRUST FUND:

Section 19(f), Article III of the State Constitution requires that all newly created trust funds terminate not more than four years after the initial creation unless re-created. This provision also requires that trust funds be created or re-created by a three-fifths vote of the membership in each house of the Legislature in a separate bill for the sole purpose of creating or re-creating that trust fund. The SEED Trust Fund was created within the DEO effective July 1, 2011 by chapter 2011-138, Laws of Florida in s. 288.1201, F.S. and is scheduled to terminate on July 1, 2015.

#### 2. BRIEF DESCRIPTION OF THE FUND'S USES OR PURPOSES:

Funds deposited into the trust fund are used for infrastructure and job creation opportunities and for transportation facilities, affordable housing programs and projects in accordance with ch. 420, F.S.; economic development incentives for job creation and capital investment; workforce training associated with locating a new business or expanding an existing business; and tourism promotion and marketing services, functions, and programs.

#### 3. MAJOR SOURCES OF REVENUE FOR THE FUND:

Moneys credited to the trust fund consist of documentary stamp tax proceeds as specified in law, local financial support funds, interest earnings, and cash advances from other trust funds.

#### 4. TOTAL PROJECTED RECEIPTS INTO THE FUND AND CURRENT YEAR APPROPRIATIONS FROM THE FUND:

Total projected receipts are \$150 million. The Fiscal Year 2013-14 appropriation level is \$117,016,648.

### B. EFFECT OF PROPOSED CHANGES:

The bill re-creates the SEED Trust Fund without modification and repeals the scheduled termination of the trust fund.

## III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

This legislation has no fiscal impact on state agencies or state funds, on local governments as a whole or on the private sector. It simply re-creates, without modification, an existing state trust fund and continues the current use of the fund.

## IV. COMMENTS

## V. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES