

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCB ANRAS 15-01 Department of Environmental Protection
SPONSOR(S): Agriculture & Natural Resources Appropriations Subcommittee
TIED BILLS: **IDEN./SIM. BILLS:** CS/SB 428

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

SUMMARY ANALYSIS

To implement Article III, section 19(f), of the Florida 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 Environmental Protection (DEP) are scheduled for review this year.

Consistent with all of the remaining trust funds administered by the department, the bill codifies into Florida Statutes the Administrative Trust Fund, the Air Pollution Control Trust Fund, the Environmental Laboratory Trust Fund, the Minerals Trust Fund, and the Working Capital Trust Fund.

The bill deletes federal funding sources and purposes of the Grants and Donations Trust Fund and authorizes transfer of all outstanding appropriations supported by federal funding sources to the Federal Grants Trust Fund.

The bill also modifies the distribution of waste tire fees collected by the Solid Waste Management Trust Fund. The modification will accurately reflect funding levels provided in the General Appropriations Act.

The bill reenacts section 403.7095(3), Florida Statutes, to incorporate by reference the changes made to section 403.709, Florida Statutes.

Because the bill merely codifies current practices or 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 Florida 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 Environmental Protection (DEP) 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 Air Pollution Control Trust Fund, the Environmental Laboratory Trust Fund, the Minerals Trust Fund, and the Working Capital 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 2003-225, 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 Air Pollution Control Trust Fund was last re-created in chapter 2004-101, Laws of Florida, to be used only for air pollution control programs relating to the control of emissions from mobile sources and toxic and odor emissions, air quality monitoring, and facility inspections pursuant to chapter 403 or any similar local ordinance. Revenue sources consist of a nonrefundable fee of \$1 charged on every vehicle registration sold, transferred, or replaced, an asbestos removal program inspection and notification fee, and major source of air pollution operation license fee.

Any county that has a DEP approved local air pollution control program shall receive 75 cents of the \$1 fee. However, if the approved local air pollution control program trust fund has an unencumbered balance at the end of the preceding fiscal year of more than 50 percent of the preceding year's fees, DEP may, after consultation with the approved local program, retain any amount above 50 cents of the fees from each license sold in the following year.

The Environmental Laboratory Trust Fund was last re-created in chapter 2003-227, Laws of Florida, for the purpose of funding DEP laboratory functions and expenses. Revenue sources consist of contracts with water management districts and transfers from other DEP trust funds, interest earnings on the investment of idle cash, and funds collected for laboratory services for external entities.

The Minerals Trust Fund was last re-created in chapter 2003-230, Laws of Florida, to serve as a repository for funds, which will enable DEP to respond to incidents that affect safety or threaten to cause environmental damage as a result of incidents involving petroleum exploration and production activities. The fund shall be made available immediately for DEP to restore production sites or other test sites and facilities after operations cease, if the permittee or operator cannot or will not correct the violations within a reasonable time. If funds in excess of those in the Minerals Trust Fund are needed, the Florida Coastal Protection Trust Fund is temporarily available.

Revenue sources consist of cash or other securities deposited by an applicant for a drilling, production, injection well permit, or a geophysical permit (which may also be made in annual fees). Pro rata royalties of unknown or missing minority owners in mineral interests may be deposited into the fund. Money collected as fines or fees are also deposited in the Minerals Trust Fund.

The Working Capital Trust Fund was last re-created in chapter 2003-233, Laws of Florida, to provide sufficient funds for the department's information technology services. Revenue sources include assessments against other trust funds based on the departmental programs' proportionate shares.

The Grants and Donations Trust Fund is established in section 403.1832, Florida Statutes. The trust fund currently serves as a depository for federal grants and funds received by the department and to assist in tracking and monitoring the use of federal funds that are not deposited into a separate trust fund. Funds are to be used for various environmental and natural resources program purposes for which the federal funds were intended.

The Solid Waste Management Trust Fund is created in section 403.709, Florida Statutes. The fund receives waste tire fees collected pursuant to section 403.718, Florida Statutes:

- Up to 40 percent of the funds collected are to be used for funding solid waste activities of the department and other state agencies.
- Up to 4.5 percent of the funds are to be used for funding research and training programs relating to solid waste management through the Center for Solid and Hazardous Waste Management and other organizations.
- Up to 11 percent of the funds are to be used for funding to supplement any other funds provided to the Department of Agriculture and Consumer Services for mosquito control.
- Up to 4.5 percent of the funds are to be used for providing funding to the Department of Transportation for litter prevention and control programs through a certified Keep America Beautiful Affiliate.
- A minimum of 40 percent of the funds are to be used for funding a solid waste management grant program to local governments pursuant to section 403.7095 Florida Statutes, for activities relating to recycling and waste reduction, including waste tires requiring final disposal.

Effect of Proposed Changes

Consistent with all of the remaining trust funds administered by the department, the bill amends section 20.25501, Florida Statutes, to codify into Florida Statutes the Administrative Trust Fund, the Environmental Laboratory Trust Fund, and the Working Capital Trust Fund. The bill also creates sections 376.41 and 403.0874, Florida Statutes, to codify into Florida Statutes the Minerals Trust Fund and the Air Pollution Control Trust Fund.

The bill modifies section 403.1832, Florida Statutes, for the Grants and Donation Trust Fund by replacing federal grants as a funding source with private and public non-federal grants or donor agreements and deletes federal purposes for the use of the trust fund. The bill authorizes transfer of all outstanding appropriations supported by federal grants to the Federal Grants Trust Fund.

The bill also modifies section 403.709, Florida Statutes, distributing waste tire fees collected by the Solid Waste Management Trust Fund. The percentage that is transferred to Department of Agriculture and Consumer Services to supplement mosquito control is increased from 11 percent to 14 percent. The percentage used for funding a solid waste management grant program to local governments is changed from "A minimum of 40 percent" to "Up to 37 percent." This accurately reflects the funding levels provided in the General Appropriations Act for the mosquito control program for the last two years and for the solid waste management grant program for the last 12 years.

The bill reenacts section 403.7095(3), Florida Statutes, to incorporate by reference the changes made to section 403.709, Florida Statutes.

B. SECTION DIRECTORY:

Section 1 Amends s. 20.25501, F.S., codifying provisions relating to the Administrative Trust Fund, the Environmental Laboratory Trust Fund, and the Working Capital Trust Fund.

Section 2 Creates s. 376.41, F.S., codifying provisions relating to the Minerals Trust Fund.

Section 3 Amends s. 403.709, F.S., redistributing the revenue of the Solid Waste Management Trust Fund.

Section 4 Creates s. 403.0874, F.S., codifying provisions relating to the Air Pollution Control Trust Fund.

Section 5 Amends s. 403.1832, F.S., removing provisions relating to federal aid from the Grants and Donations Trust Fund.

Section 6 Reenacts s. 403.7095(3), F.S., incorporating the amendment made to s. 403.709, F.S., by reference.

Section 7 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 codifies current practices or transfers unexpended balances, revenue sources, and appropriations between 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