

STORAGE NAME: h1397a.br.doc
DATE: April 3, 2001

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
BUSINESS REGULATION
ANALYSIS**

BILL #: HB 1397
RELATING TO: Florida Mobile Home Relocation Trust Fund
SPONSOR(S): Representative Greenstein
TIED BILL(S): HB 411

ORIGINATING COMMITTEE(S)/COUNCIL(S)/COMMITTEE(S) OF REFERENCE:

- (1) BUSINESS REGULATION YEAS 7 NAYS 3
 - (2) COUNCIL FOR SMARTER GOVERNMENT
 - (3)
 - (4)
 - (5)
-

I. SUMMARY:

HB 1397 establishes the Florida Mobile Home Relocation Trust Fund to be used by the Mobile Home Relocation Corporation (also created in this bill), within the Department of Business and Professional Regulation, to compensate certain mobile home owners relocated from a mobile home park.

The bill substantially amends section 320.081 and creates sections 320.0805 and 320.08051, F.S.

Note: On 04-03-01, the Business Regulation Committee adopted a strike everything amendment (see Section VI, "AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES" below).

The bill, as amended, provides for funding the Florida Mobile Home Relocation Trust Fund by:

- Establishing a \$2 surcharge to be added to each tax assessment on mobile home registrations
- Establishing an additional \$1 surcharge to be added to the present \$4 fee paid by mobile home park owners for each mobile home lot that is offered for lease within their mobile home park(s)
- Establishing a fee requiring mobile home park owners, upon application from eligible relocating mobile home owners, to pay \$2,000 for each single-section mobile home relocated and \$2,500 for each multi-section mobile home relocated from their park due to a change in land use

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|------------------------------|--|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

1. If Department estimates are accurate, and administrative functions cannot be handled by current staff, the Florida Mobile Home Relocation Corporation will require a staff of 2 FTEs.¹
2. The bill adds a \$2 surcharge to each mobile home license tax assessment.

(Note: See Section VI, "AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES" below for changes).

B. PRESENT SITUATION:

Section 215.3207, F.S., provides that a trust fund may be created by law only by the Legislature and only if passed by a three-fifths vote of the membership of each house in a separate bill for that purpose only. Except for trust funds being re-created by the Legislature, each trust fund must be created by statutory language that specifies at least the following:

- The name of the trust fund
- The agency or branch of state government responsible for administering the trust fund
- The requirements or purposes that the trust fund is established to meet
- The sources of moneys to be credited to the trust fund or specific sources of receipts to be deposited in the trust fund

Section 215.32(2)(b), F.S., provides that trust funds consist of monies received by the state which under law or under trust agreement are segregated for a purpose authorized by law.

Section 215.3206, F.S., in accordance with s. 19(f)(2), Article III of the Florida Constitution, requires state trust funds be terminated not more than four years after the effective date of the act authorizing the creation of the trust fund. This section allows the Legislature to review the trust fund and either recreate or terminate the fund prior to its scheduled repeal.

Section 215.3208, F.S., requires the Legislature to review all state trust funds at least once every four years.

¹ From data provided by the Department of Business and Professional Regulation, 03-28-01.

C. EFFECT OF PROPOSED CHANGES:

House Bill 1397 creates the Florida Mobile Home Relocation Trust Fund and the Florida Mobile Home Relocation Corporation under provisions of s. 320.0805, F.S., within the Department of Business and Professional Regulation for the purpose of implementing s. 723.0610, F.S.

The bill provides for monies to be deposited into the trust fund by:

- 1) Establishing, pursuant to s. 320.08051, F.S., a \$2 surcharge to be added to each tax assessment on mobile home registrations.
- 2) Authorizing, pursuant to s. 723.007, F.S., deposits from proceeds generated through an additional \$1 surcharge added to the present \$4 fee paid by mobile home park owners for each mobile home lot that is offered for lease within their mobile home park(s).
- 3) Authorizing, pursuant to s. 723.0610 (2), F.S., deposits from proceeds generated when, upon application from eligible relocating mobile home owners, mobile home park owners are required to pay \$2,000 for each single-section mobile home relocated and \$2,500 for each multi-section mobile home relocated.

D. SECTION-BY-SECTION ANALYSIS:

Section 1. Creates s. 320.0805, F.S., thus establishing, under the Department of Business and Professional Regulation, the Florida Mobile home Relocation Trust Fund and the Florida Mobile Home Relocation Corporation, and authorizes the latter to borrow from private financial sources to implement program objectives set forth in s. 723.0610, F.S. The section establishes that the Florida Mobile Home Relocation Corporation is a private entity comprised of six members, with the Florida Manufactured Housing Association and Federation of Manufactured Home Owners appointing three members each.

This section also establishes that the trust fund be funded by surcharges or monies collected under s. 320.08051, s. 723.007, and s. 723.0610, F.S., that any interest earned from trust fund monies be deposited into the trust fund account, and establishes that trust fund monies may be expended by the following:

- 1) To pay the cost of administering the fund and board
- 2) To implement the relocation objectives established in s. 723.0610, F.S.

Section 2. Establishes that the Mobile Home Relocation Trust Fund, unless acted upon sooner, be terminated on July 1, 2005 as required by s 19(f)(2), Article III, of the Florida Constitution. The section also establishes that the fund, before such termination, shall be reviewed pursuant to s 215.3206, F.S.

Section 3. Creates s. 320.08051, F.S., establishing a \$2 surcharge on license taxes imposed under s. 320.08 (11), and that such surcharge proceeds shall be deposited into the Florida Mobile Home Relocation Trust Fund.

The section establishes that surcharge collections begin during the first year after the bill takes effect, and that the surcharge shall not be collected in the next year if the trust fund's balance exceeds \$10 million, but be reinstated in years that follow those in which the fund's balance had dropped below \$6 million.

Section 4. Amends s. 320.081 to allow for the collection and depositing of monies, generated by the newly established surcharge, into the Mobile Home Relocation Trust Fund.

Section 5. Establishes an effective date.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The \$2 surcharge, if collected from the 537,684 mobile home registrants estimated for FY 2001-02, will fund the Florida Mobile Home Relocation Trust Fund with \$1,075,368.²

The \$1 surcharge should provide the trust fund with \$350,000 annually.³ The number of mobile home owners who are eligible and apply for relocation assistance under s. 723.0610 (2), and the fund amounts subsequently generated, is presently indeterminate.

Collections in subsequent years should increase or decrease depending on the change in the number of mobile home registrations statewide, and, as established in section 3 of the bill, can be temporarily suspended depending on the trust fund's balance.

2. Expenditures:

The Department of Highway Safety & Motor Vehicles estimates that data processing programming costs necessary to implement the trust fund's surcharge will cost \$7,560⁴.

The Department of Business and Professional Regulation estimates that implementation expenses, primarily associated with two additional FTEs, will amount to \$93,577 in FY 2001-02, of which \$87,262 will recur in 2002-03.⁵

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None

2. Expenditures:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

While the bill establishes or authorizes mobile home owners and mobile home park owners to pay surcharges and fees, these monies are deposited into the Florida Mobile Home Relocation Trust Fund and earmarked for providing assistance to eligible mobile home owners undertaking certain mobile home relocations.

² From data provided by the Department of Highway Safety & Motor Vehicles, 03-22-01.

³ *ibid* at 1

⁴ *ibid* at 2

⁵ *ibid* at 1

D. FISCAL COMMENTS:

None

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

The bill will not reduce the authority of municipalities and counties to raise revenues.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill will not reduce the state tax shared with counties and municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

None

B. RULE-MAKING AUTHORITY:

None

C. OTHER COMMENTS:

None

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

On 04-03-01, the Business Regulation Committee adopted a strike everything amendment that will conform the bill to changes made in the Senate companion trust fund bill, CS/SB 1920.

The amendment establishes the Florida Mobile Home Relocation Trust Fund in s. 723.06115, F.S., rather than s. 320.0805, F.S.

The amendment places in the trust fund bill, itself, the following two substantive provisions that impose new surcharges and fees that will be used to compensate home owners relocated from a mobile home park. Similar provisions were deleted from the tied companion bill, CS/HB 411, and by this amendment are now being consolidated in the trust fund bill:

- Amending, in **Section 5**, s. 723.007, authorizing trust fund deposits from proceeds generated through an additional \$1 surcharge added to the present \$4 fee paid by mobile home park owners for each mobile home lot that is offered for lease within their mobile home park(s)
- Creating, in **Section 6**, s. 723.06116, F.S., authorizing trust fund deposits from proceeds generated when, upon application from eligible relocating mobile home owners, mobile home

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park owners are required to pay \$2,000 for each single-section mobile home relocated and \$2,500 for each multi-section mobile home relocated

The amendment also deletes the creation of the Florida Mobile Home Relocation Corporation, which is presently in the substantive bill. Thus, while this bill's estimated implementation cost to state government is reduced to \$13,682, the difference, resulting from the two FTEs, is shifted to the substantive bill.

Finally, the amendment deletes provisions in s. 723.007(1), F.S., which currently allow the Department of Business and Professional Regulation's Division of Florida Land Sales, Condominiums and Mobile Homes to, by rule, add \$1 to the fee mobile home park owners pay for each mobile home lot offered for lease within their mobile home park(s).

VII. SIGNATURES:

COMMITTEE ON BUSINESS REGULATION:

Prepared by:

Staff Director:

Randall C. Wasserman

M. Paul Liepshutz