

**STORAGE NAME:** h1651.ag.doc  
**DATE:** February 8, 2002

**HOUSE OF REPRESENTATIVES  
COMMITTEE ON  
AGRICULTURE & CONSUMER AFFAIRS  
ANALYSIS**

**BILL #:** HB 1651  
**RELATING TO:** Excise Tax on Documents  
**SPONSOR(S):** Representative(s) Sorensen  
**TIED BILL(S):** HB 1653

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

- (1) AGRICULTURE & CONSUMER AFFAIRS (CCC)
  - (2) COUNCIL FOR SMARTER GOVERNMENT
  - (3)
  - (4)
  - (5)
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I. SUMMARY:

HB 1651 takes the revenue appropriated, by the Florida Forever Act of 1999, to the Department of Environmental Protection (DEP) Water Quality Assurance Trust Fund and the Department of Agriculture and Consumer Services (department) General Inspection Trust Fund and transfers it to the Florida Keys and Key West Areas of Critical State Concern Wastewater and Stormwater Trust Fund (trust fund), created by HB 1653.

The monies appropriated to the trust fund are to be used for the purposes of funding wastewater and stormwater management construction projects in the Florida Keys and Key West Areas of Critical State Concern.

The fiscal impact to state government of this legislation is approximately \$6 million. This legislation has an effective date of July 1, 2002.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- |                                   |                              |                             |   |
|-----------------------------------|------------------------------|-----------------------------|---|
| 1. <u>Less Government</u>         | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u>             | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" 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:

B. PRESENT SITUATION:

The federal water Pollution Control Act of 1972, commonly referred to as the Clean Water Act (CWA), set forth the basic framework for pollution control in the nation's water bodies. By setting national standards and regulations for pollution discharge, the CWA sought to restore and protect the health of the nation's water bodies. National water-quality standards were strengthened. Pollution could no longer be discharged without a permit, the use of best available technologies for pollution control was encouraged, and monies for building and improving sewage treatment plants were provided.

Section 305(b) of the CWA requires states to submit to Congress a biennial report of the water quality of their lakes, streams, and rivers. Those waters that qualify as "impaired" (i.e. don't meet the specific pollutant limits for their designated uses) must be submitted to the United States Environmental Protection Agency (EPA) under section 303(d) of the CWA. States must then develop and prioritize total maximum daily loads (TMDLs) for each pollutant that exceeds the legal limits for that water body. If states fail to develop TMDLs, then EPA is required to do so. The 303(d) list is updated every two years and includes not only impaired water bodies, but the pollutants that violate water quality standards and a prioritized schedule for TMDL development for all waters on the list.

During the 1999 legislative session, the passage of SB 908, creating the Florida Forever Program, provided for one-half of one percent (approximately \$5.4 million) of the documentary stamp tax revenue collected to be divided equally between the Department of Environmental Protection (DEP) Water Quality Assurance Trust Fund and the Department of Agriculture and Consumer Services (department) General Inspection Trust Fund to address water quality impacts associated with agricultural and non-agricultural nonpoint sources. The bill stipulated that the funding was to be used for development and implementation of TMDL measures related to section 303(d) of the CWA.

C. EFFECT OF PROPOSED CHANGES:

HB 1651 takes the revenue appropriated to the Water Quality Assurance Trust Fund of DEP and the General Inspection Trust Fund of the department by the Florida Forever Act of 1999, and transfers it to the Florida Keys and Key West Areas of Critical State Concern Wastewater and Stormwater Trust Fund (trust fund).

The monies appropriated to the trust fund are to be used for the purposes of funding wastewater and stormwater management construction projects in the Florida Keys and Key West Areas of Critical State Concern.

D. SECTION-BY-SECTION ANALYSIS:

Please see Section C., Effect of Proposed Changes.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

Please see Section D., Fiscal Comments.

2. Expenditures:

Please see Section D., Fiscal Comments.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

Please see Section D., Fiscal Comments.

2. Expenditures:

Please see Section D., Fiscal Comments.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Please see Section D., Fiscal Comments.

D. FISCAL COMMENTS:

For FY 2001-2002, the revenues from excise tax on documents as provided in s. 201.15(8), F.S., were estimated at roughly at \$5.6 to \$6 million. Under current law this amount is divided equally between the Department of Environmental Protection Water Quality Assurance Trust Fund and the Department of Agriculture and Consumer Services General Inspection Trust Fund, which translates to each agency suffering a loss of approximately \$3 million in revenue per year.

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.

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B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that municipalities or counties have to raise revenue in the aggregate.

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

This bill does not reduce any state tax shared with counties or municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

N/A

B. RULE-MAKING AUTHORITY:

N/A

C. OTHER COMMENTS:

N/A

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VII. SIGNATURES:

COMMITTEE ON AGRICULTURE & CONSUMER AFFAIRS:

Prepared by:

Staff Director:

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Debbi Kaiser

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Susan D. Reese