

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: SB 14-A

SPONSOR: Senator Clary

SUBJECT: Trust Funds Exempt or Terminated Administered by General Government Agencies

DATE: May 13, 2003                      REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Hayes</u>	<u>Coburn</u>	<u>AP</u>	<u>Favorable</u>
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

**I. Summary:**

This bill makes changes to certain trust funds pursuant to section 215.3206(f), F.S., which requires a legislative review of each of the trust funds in an agency subject to the four year review cycle.

This bill terminates the Social Security Contribution Trust Fund, FLAIR 72-2-638, within the Department of Management Services.

This bill terminates the State Employee Savings Bond Trust Fund, FLAIR 72-2-674, within the Department of Management Services.

This bill terminates the State Employee Child Care Revolving Trust Fund, FLAIR 72-2-670, within the Department of Management Services.

This bill terminates the Corporations Tax Administration Trust Fund, FLAIR 73-2-134, within the Department of Revenue.

This bill terminates the Drug Enforcement Trust Fund, FLAIR 73-2-171, within the Department of Revenue.

This bill terminates the Forfeited Property Trust Fund, FLAIR 37-2-267, within the Department of Environmental Protection, and transfers the remaining balance to the Internal Improvement Trust Fund, FLAIR 37-2-408.

This bill terminates the Marine Resources Conservation Trust Fund, FLAIR 37-2-467, within the Department of Environmental Protection, and transfers the remaining balance to the Marine

Resources Conservation Trust Fund, FLAIR 77-2-467, in the Fish and Wildlife Conservation Commission.

This bill terminates the Project Construction Trust Fund, FLAIR 37-2-549, in the Department of Environmental Protection, and transfers the remaining balance to the Ecosystem Management and Restoration Trust Fund, FLAIR 37-2-193.

This bill terminates the Federal Law Enforcement Trust Fund, FLAIR 37-2-719, in the Department of Environmental Protection and transfers the remaining balance to the Grants and Donations Trust Fund, FLAIR 37-2-339.

This bill substantially amends the following sections of the Florida Statutes: 121.011, 121.031, 121.141, 122.26, 122.27, 122.30, 122.35, 650.04, 650.05, 607.1901, 253.03, 895.09, and 932.7055.

This bill repeals the following sections of the Florida Statutes: 20.2553, 110.151(7), and 213.31.

## II. **Present Situation:**

A trust fund is defined in section 215.3206(4), Florida Statutes, as being identified "... by a unique 6-digit code in the Florida Accounting Information Resource Subsystem (FLAIR) at a level composed of the 2-digit organization level 1, the 1-digit state fund type 2, and the first three digits of the fund identifier."

Pursuant to Article III, Section 19(f) of the Florida Constitution trust funds must be reviewed on a regular cycle, and terminated or recreated, to prevent automatic termination. The creation of any new trust fund requires an extraordinary vote of the Legislature.

### **Social Security Contribution Trust Fund**

The Social Security Contribution Trust Fund is established in s. 650.06, F.S., in the Department of Management Services for the purpose of the Division of Retirement to collect the Social Security contributions due from public employers covered by the Social Security Agreement provided under Chapter 218 of the Social Security Act. Through 1986, the Division of Retirement collected all Social Security contributions for public employees in the State of Florida (both state and local), balanced the payroll reports, and submitted the contributions and data to the Social Security Administration on a quarterly basis.

Effective January 1987, federal law was changed to require public employers covered by the 218 Agreements to submit Social Security contributions directly to the Internal Revenue Service. The Division of Retirement no longer has the responsibility of collecting and balancing the contributions and payroll reports for Social Security. The Social Security Trust Fund needed to remain in existence until adjustments for the public employers in Florida have been processed for all years prior to 1987. All adjustments have been processed and the State of Florida and the Social Security Administration have closed these payrolls. The Department of Management Services has recommended the trust fund be terminated and the cash balance of \$63,755.01 be transferred to the General Revenue Fund.

**State Employee Child Care Revolving Trust Fund**

The State Employee Child Care Revolving Trust Fund is established in s. 110.151(7), F.S., in the Department of Management Services for the purpose of assisting agencies with establishing child care centers. The trust fund has been used as a means for depositing fees, paying operating costs, and making emergency repairs of state owned child care centers. The centers are operated by private sector child care providers through a competitive bid process. The Department of Management Services has not used the fund for several years and has recommended the trust fund be terminated and the cash balance of \$7,663.84 be transferred to the General Revenue Fund.

**State Employees Savings Bond Trust Fund**

The State Employees Savings Bond Trust Fund is used by the Department of Management Services to receive and disburse payroll deductions for the purpose of purchasing United Savings securities for state employees as authorized in s. 215.28, Florida Statutes. The receipt and disbursement functions for managing this activity have been outsourced. Currently, the only source of revenue for this fund is investment earnings. The Department of Management Services has recommended the trust fund be terminated and the cash balance of \$ \$10,659.39 be transferred to the General Revenue Fund.

**III. Effect of Proposed Changes:**

This bill terminates the Social Security Contributions Trust Fund, the State Employees Savings Bond Trust Fund and the State Employee Child Care Revolving Trust Fund within the Department of Management Services and transfers the remaining balances to the General Revenue Fund. The bill terminates the Corporations Tax Administration Trust Fund and the Drug Enforcement Trust Fund within the Department of Revenue and transfers the remaining balance to the General Revenue Fund. This bill terminates the Forfeited Property Trust Fund within the Department of Environmental Protection and transfers the remaining balance to the Internal Improvement Trust Fund.

This bill terminates the Marine Resources Conservation Trust Fund in the Department of Environmental Protection and transfers the remaining balance to the Marine Resources Trust Fund in the Fish and Wildlife Conservation Commission. This bill terminates the Project Construction Trust Fund and transfers the remaining balance to the Ecosystem Management and Restoration Trust Fund. This bill terminates the Federal Law Enforcement Trust Fund and transfer the remaining balance to the Grants and Donations Trust Fund.

This bill modifies statutes to allow moneys to be transferred to the General Revenue Fund in lieu of the Corporations Tax Administration Trust Fund within the Department of Revenue. Additionally, the bill authorizes the use of the Internal Improvement Trust Fund within the Department of Environmental Protection for the disposition of real property forfeited to the state by the U.S. Racketeer Influenced and Corrupt Organization (RICO) Act.

**IV. Constitutional Issues:**

## A. Municipality/County Mandates Restrictions:

None.

## B. Public Records/Open Meetings Issues:

None.

## C. Trust Funds Restrictions:

None.

**V. Economic Impact and Fiscal Note:**

## A. Tax/Fee Issues:

None.

## B. Private Sector Impact:

None.

## C. Government Sector Impact:

The bill terminates several trust funds and transfers the cash balances to the General Revenue Fund. The cash balance in the Social Security Contribution Trust Fund is \$63,755.01. The cash balance in the State Employees Child Care Revolving Trust Fund is \$7,663.84. The cash balance in the State Employees Savings Bond Trust Fund is \$10,659.29.

This bill modifies s.253.03, Florida Statutes, to allow moneys to be transferred to the General Revenue Fund in lieu of the Corporations Tax Administration Trust Fund. In addition, this bill modifies s. 253.03, Florida Statutes, to authorize the use of the Internal Improvement Trust Fund for the disposition of real property forfeited to the state by the U.S. Racketeer Influencer and Corrupt Organization (RICO) Act.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Amendments:**

None.

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This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.

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