

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

The bill does not appear to implicate any of the House Principles.

B. EFFECT OF PROPOSED CHANGES:

Section 215.32, Florida Statutes, defines operations or operating trust fund as a depository for funds to be used for program operations funded by program revenues, with the exception of administrative activities when the operations or operating trust fund is a proprietary fund. It also defines an administrative trust fund as a depository for funds to be used for management activities that are departmental in nature and funded by indirect cost earnings and assessments against trust funds. Proprietary funds are excluded from the requirement of using an administrative trust fund.

Article III, Section 19(f) of the Florida Constitution requires all agency trust funds to terminate every four years unless recreated. The Legislature, through the Legislative Budget Instructions, has placed agency funds on a review cycle to facilitate the trust fund review and recreation. An analysis of the trust funds under the jurisdictions of the Agriculture and Environment Appropriations Committee and State Administration Appropriations Committee resulted in the following findings:

Department Agriculture and Consumer Services

The Florida Preservation 2000 Trust Fund provides a funding source for purchase of environmental forest lands in areas of critical state concern. This trust fund is no longer in use and has been replaced by the Florida Forever Program Trust Fund.

The Quarter Horse Racing Promotion Trust Fund collects revenues that are restricted for use in supplementing and augmenting purses and prizes and for the general promotion of owning and breeding of racing quarter horses, Appaloosa horses, and Arabian horses. A separate trust fund is not needed for the Florida Arabian, Appaloosa, and Quarter Horse Industries since they no longer race in Florida. Accounts could continue in the General Inspection Trust Fund in the event these industries begin racing in the future.

The Contracts and Grants Trust Fund is named inconsistent with its intended use as defined by section 215.32 (2), Florida Statutes¹. This fund should be renamed to conform to the definitions and for general accounting practices.

The bill terminates the following trust funds which are either obsolete or are consolidated with other trust funds in the Department of Agriculture and Consumer Services:

- Quarter Horse Racing Promotion Trust Fund, FLAIR number 42-2-564. All current balances remaining in Quarter Horse Racing Promotion Trust Fund, FLAIR Number 42-2-564, and all revenues of, are transferred to the General Inspection Trust Fund within the Department of Agriculture and Consumer Services, FLAIR number 42-2-321
- Florida Preservation 2000 Trust Fund, FLAIR number 42-2-332. All current balances remaining in Florida Preservation 2000 Trust Funds, FLAIR number 42-2-332, and all revenues of, are transferred to the Florida Forever Program Trust Fund within the Department of Agriculture and Consumer Services, FLAIR number 42-2-349.

¹ That law provides uniform definitions and uses for the most commonly used trust funds within state agencies, and anticipates that state accounts and Florida law will be conformed to those definitions over time.

The bill renames the following trust funds in the Department of Agriculture and Consumer Services:

- Contracts and Grants Trust Fund, FLAIR number 42-2-133, is renamed as the Federal Grants Trust Fund.

Department of the Lottery

The Administrative Trust Fund supports department operations and distributes lottery proceeds to the Educational Enhancement Trust Fund. Pursuant to the definitions provided in 215.32 (2), Florida Statutes, this fund needs to be renamed to the Operating Trust Fund.

The bill renames the following trust funds in the Department of the Lottery:

- Administrative Trust Fund, FLAIR number 36-2-021, is renamed as the Operating Trust Fund.

Department of Management Services

Various revenues are being deposited into trust funds inconsistent with their intended uses within the Department of Management Services. Specified uses of trust funds are as defined by of section 215.32 (2), Florida Statutes. To conform to the definitions provided and to comply with generally accepted accounting principles, the accounts should be redirected from the Grants and Donations Trust Fund to the Operating Trust Fund.

The bill transfers the following accounts in the Department of Management Services:

- Motor Vehicle Grants and Donations account, FLAIR number 72-2-339103 is transferred to the Operating Trust Fund, FLAIR number 72-2-510, within the Department of Management Services.
- Purchasing Oversight Grants and Donations account, FLAIR number 72-2-339069 is transferred to the Operating Trust Fund, FLAIR number 72-2-510, within the Department of Management Services.
- Private Prison Monitoring Grants and Donations account, FLAIR number 72-2-339111 is transferred to the Operating Trust Fund, FLAIR number 72-2-510, within the Department of Management Services.
- Office of Supplier Diversity Grants and Donations account, FLAIR number 72-2-339069 is transferred to the Operating Trust Fund, FLAIR number 72-2-510, within the Department of Management Services.
- Commission on Human Relations Grants and Donations account, FLAIR number 72-2-39045 is transferred to the Operating Trust Fund, FLAIR number 72-2-510, within the Department of Management Services.
- Wireless (Inter-Operability Federal Grant) Grants and Donations account, FLAIR number 72-2-339070 is transferred to the Operating Trust Fund, FLAIR number 72-2-510, within the Department of Management Services.
- Facilities / Tenant Improvement Grants and Donations account, FLAIR number 7200-2-339084 is transferred to the Operating Trust Fund, FLAIR number 72-2-510, within the Department of Management Services.
- Human Services / ADA Working Group Grants and Donations account, FLAIR number 7200-2-339130 is transferred to the Operating Trust Fund, FLAIR number 72-2-510, within the Department of Management Services.

Division of Administrative Hearings in the Department of Management Services

The Administrative Trust Fund is named inconsistent with its intended use as defined by section 215.32 (2), Florida Statutes. This fund needs to be renamed to conform to the definitions and for general accounting practices.

The bill renames the following trust funds in the Department of Management Services:

- Administrative Trust Fund, FLAIR number 7297-2-021, within the Division of Administrative Hearings of the Department of Management Services, is renamed as the Operating Trust Fund.

C. SECTION DIRECTORY:

Section 1 Terminates trust funds which are either obsolete or are consolidated with other trust funds in the Department of Agriculture and Consumer Services.

Section 2 Renames trust funds in the Department of Agriculture and Consumer Services, Department of Lottery, and Department of Management Services.

Section 3 Transfers accounts in the Department of Management Services.

Section 4 Revises subsection (2) and (4) of section 215.20, Florida Statutes, to remove the references to the Florida Quarter Horse Racing Promotion Trust Fund and the Florida Reservation 2000 Trust Fund.

Section 5 Revises subsections (7) and (8) of section 550.2625, Florida Statutes, redirecting any future deposits from the Florida Quarter Horse Racing Promotion Trust Fund to the General Inspection Trust Fund. Deletes the inappropriate use of the term “fund” as a way to refer to accounts within this section.

Section 6 Revises subsection (2) of section 550.2633, Florida Statutes, redirecting any future deposits from the Florida Quarter Horse Racing Promotion Trust Fund to the General Inspection Trust Fund. Deletes the inappropriate use of the term “fund” as a way to refer to accounts within this section.

Section 7 Revises subsection (2) and (5) of section 570.382, Florida Statutes, to redirect future deposits to the terminated Florida Quarter Horse Racing Promotion Trust Fund to the General Inspection Trust Fund. Deletes the inappropriate use of the term “fund” as a way to refer to accounts within this section.

Section 8 Revises subsection (1) of section 215.22, Florida Statutes, to remove the reference to the Florida Preservation 2000 Trust Fund.

Section 9 Revises subsection (2) of section 589.277, Florida Statutes, changing a reference to the Federal Grants Trust Fund.

Section 10 Revises subsection (3) of section 24.114, Florida Statutes, effective July 1, 2007, to reflect a name change from the Administrative Trust Fund to the Operating Trust Fund.

Section 11 Revises subsection (1) of section 24.120, Florida Statutes, effective July 1, 2007, to reflect a name change from the Administrative Trust Fund to the Operating Trust Fund.

Section 12 Revises subsections (3) and (4) of section 24.121, Florida Statutes, effective July 1, 2007, to reflect a name change from the Administrative Trust Fund to the Operating Trust Fund.

Section 13 Revises subsection (1) of section 403.518, Florida Statutes, effective July 1, 2007, to reflect a name change from the Administrative Trust Fund to the Operating Trust Fund.

Section 14 Revises subsection (1) of section 403.5365, Florida Statutes, effective July 1, 2007, to reflect a name change from the Administrative Trust Fund to the Operating Trust Fund.

Section 15 Revises subsection (5) of section 403.9421, Florida Statutes, effective July 1, 2007, to reflect a name change from the Administrative Trust Fund to the Operating Trust Fund.

Section 16 Revises subsection (11) of section 552.40, Florida Statutes, effective July 1, 2007, to reflect a name change from the Administrative Trust Fund to the Operating Trust Fund.

Section 17 Revises subsection (4) of section 282.22, Florida Statutes, effective July 1, 2007, to reflect a name change from Grants and Donations Trust Fund to the Operating Trust Fund.

Section 18 Revises subsections (1) and (15) of section 287.042, Florida Statutes, effective July 1, 2007, to reflect a name change from the Grants and Donations Trust Fund to the Operating Trust Fund. It also makes a grammar change.

Section 19 Revises subsection (23) of section 287.057, Florida Statutes, effective July 1, 2007, to reflect a name change from the Grants and Donations Trust Fund to the Operating Trust Fund.

Section 20 Revises section 287.1345, Florida Statutes, effective July 1, 2007, to reflect a name change from Grants and Donations Trust Fund to the Operating Trust Fund.

Section 21 Reenacts section 550.0351, Florida Statutes, to incorporate the amendments made by this bill to section 550.2625, Florida Statutes.

Section 22 Reenacts section 43.16, Florida Statutes, to incorporate the amendments made by this bill to section 287.057, Florida Statutes.

Section 23 Reenacts section 570.07, Florida Statutes, to incorporate the amendments made by this bill to section 287.057, Florida Statutes.

Section 24 States that except as otherwise provided in the bill, the bill shall take effect July 1, 2006.

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:

The termination, consolidation, or renaming of the specific trust funds in the bill will not affect state operations and should increase management efficiency and accounting compliance. Upon termination

of the Quarter Horse Racing Promotion Trust Fund, the bill transfers an estimated \$7,614 to the General Inspection Trust Fund.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable because this bill does not appear to require cities or counties to spend funds or take actions requiring the expenditure of funds; reduce the authority that cities or counties have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with cities or counties.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES