

The Florida Senate
PROFESSIONAL STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

Prepared By: General Government Appropriations Committee

BILL: SB 2394

INTRODUCER: Senator Alexander

SUBJECT: Audit and Warrant Clearing Trust Fund/DOR

DATE: March 9, 2007

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Blizzard/ Toth	DeLoach	GA	Favorable
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This bill creates the Audit and Warrant Clearing Trust Fund within the Department of Revenue, effective July 1, 2007. This trust fund is established for use as a depository for audit receipts, warrant receipts, and governmental leaseholds receipts, and for subsequent distributions to appropriate entities and accounts.

II. Present Situation:

Section 19(f), Art. III of the State Constitution requires that every trust fund be created by a three-fifths vote of the membership in each house of the Legislature in a separate bill for the sole purpose of creating that trust fund. The Constitution also provides that all newly created trust funds terminate not more than four years after the initial creation unless recreated.

Section 215.3208(1), F.S., provides that, in order to implement s. 19(f), Art. III of the State Constitution, a schedule for review of trust funds be included in the legislative budget instructions developed pursuant to s. 216.023, F.S. The trust funds in the Department of Revenue are scheduled for review this year.

Currently, audit, warrant, and governmental leaseholds receipts are deposited into the Administrative Trust Fund in the General Tax Administration Program. Pursuant to s. 215.32, F.S., the Administrative Trust Fund is to be used as a depository for funds for management activities that are departmental in nature and funded by indirect cost earnings and assessments against trust funds.

III. Effect of Proposed Changes:

The department requests the creation of the Audit and Warrant Clearing Trust Fund to be used for audit receipts, warrant receipts, and governmental leaseholds distributed annually to local school boards. The department is requesting a distinct fund for audit and warrant receipts and governmental leaseholds, instead of using the Administrative Trust Fund for this purpose.

The creation of this trust fund will align department accounts with the requirements of s. 215.32, F.S.

The trust fund will terminate four years after creation, on July 1, 2011, pursuant to s. 19 (f)(2), Art. III of the State Constitution, unless recreated by the Legislature.

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

This bill, creating a new trust fund, must pass by a three-fifths vote of the membership of each house to become law pursuant to s. 19 (f), Art. III of the State Constitution.

V. Economic Impact and Fiscal Note:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

Creating the Audit and Warrant Clearing Trust Fund within the department should result in improved segregation of funds, accounting records, and the ability to analyze the revenues and expenditures of the department.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

This Senate Professional Staff Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

VIII. Summary of Amendments:

None.

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