

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

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

Prepared By: The Professional Staff of the Policy and Steering Committee on Ways and Means

BILL: CS/SB 1806

INTRODUCER: Policy and Steering Committee on Ways and Means and Senator Alexander

SUBJECT: Governmental Operations

DATE: April 8, 2009

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	McVaney	Kelly	WPSC	Fav/CS
2.			GO	
3.			RC	
4.				
5.				
6.				

**Please see Section VIII. for Additional Information:**

- |                              |                                     |   |
|------------------------------|-------------------------------------|---|
| A. COMMITTEE SUBSTITUTE..... | <input checked="" type="checkbox"/> | Statement of Substantial Changes        |
| B. AMENDMENTS.....           | <input type="checkbox"/>            | Technical amendments were recommended   |
|                              | <input type="checkbox"/>            | Amendments were recommended             |
|                              | <input type="checkbox"/>            | Significant amendments were recommended |

**I. Summary:**

This legislation increases the service charge rate imposed on trust fund revenues by 1%. The rate increase is expected to shift \$29.9 million from the affected trust funds and \$3.7 million from local government revenues to the General Revenue Fund – a combined \$33.6 million increase to the General Revenue Fund.

This bill substantially amends ss. 215.20, 527.23, 570.20, and 601.15, Florida Statutes.

**II. Present Situation:**

Subsection (1) of s. 215.20, F.S., imposes a service charge of 7% on “all income of a revenue nature” deposited in all trust funds except those specifically enumerated in s. 215.22, F.S. Subsection (2) of s. 215.20, F.S., sets the service charge at 3% for particular trust funds in, and revenues collected by, the Department of Citrus and the Department of Agriculture and Consumer Services. Subsection 215.20(2), F.S., imposes an additional 0.3% service charge on certain named trust funds. The service charges imposed pursuant to s. 215.20, F.S., are transferred from the affected trust funds to the General Revenue Fund.

Specific trust funds and types of revenues are exempted from the service charge pursuant to s. 215.22, F.S. The types of revenues that are exempt include retirement and employee benefit funds, lottery receipts, bond proceeds, and prepaid tuition receipts.

Section 215.24, F.S., provides that the service charge will not be imposed on federal grants or private grants if the imposition of the service charge would cause the loss of those federal or private grants. In such an instance, the Governor may certify this finding to the Chief Financial Officer, and then such grants will be exempt from the service charge.

Section 527.23, F.S., imposes a service charge of 3% on the propane gas dealers' marketing order assessments. Section 570.20, F.S., imposes a service charge of 3% on the marketing order revenues deposited into the General Inspection Trust Fund of the Department of Agriculture and Consumer Services. Section 601.15, F.S., imposes a service charge of 3% on citrus excise tax revenue. Each of these service charges is deposited into the General Revenue Fund.

Under current administration, most transfers of the service charges are made quarterly. The Department of Financial Services (DFS) places a "Service Charge Report of Revenue" in the Report Distribution System on the 15th day of the month following the end of the quarter. In the fourth quarter (April-June), the report is not available until after the year-end closing-around the third week of July. Agencies review the DFS report, verify that the report includes all assessable revenue, and calculate and remit the service charge. Generally, the service charge for the fourth quarter is received in August of the following fiscal year.

### III. Effect of Proposed Changes:

**Section 1** amends s. 215.20, to increase the general revenue service charge rate from 7% to 8% on income of a revenue nature deposited into a trust fund; to eliminate the 0.3% assessment imposed on certain named trust funds; and to increase the service charge rate imposed on certain trust funds maintained by the Department of Citrus and the Department of Agriculture and Consumer Services from 3% to 4%.

**Section 2** amends s. 527.23, F.S., to increase the service charge imposed on propane gas dealers' marketing order assessments from 3% to 4%.

**Section 3** amends s. 570.20, F.S., to increase the service charge imposed on marketing order revenues deposited into the General Inspection Trust Fund of the Department of Agriculture and Consumer Services from 3% to 4%.

**Section 4** amends s. 601.15, F.S., to increase the service charge imposed on citrus excise tax revenue from 3% to 4%.

**Section 5** provides that the bill is effective July 1, 2009.

**IV. Constitutional Issues:**

## A. Municipality/County Mandates Restrictions:

None.

## B. Public Records/Open Meetings Issues:

None.

## C. Trust Funds Restrictions:

None.

**V. Fiscal Impact Statement:**

## A. Tax/Fee Issues:

None.

## B. Private Sector Impact:

None.

## C. Government Sector Impact:

The bill increases the service charge rate imposed on trust funds by 1% for most trust funds. The rate increase is expected to shift \$29.9 million from the affected trust funds and \$3.7 million from local government revenues to the General Revenue Fund – a combined \$33.6 million increase to the General Revenue Fund.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Additional Information:**A. Committee Substitute – Statement of Substantial Changes:  
(Summarizing differences between the Committee Substitute and the prior version of the bill.)**CS by Policy and Steering Committee on Ways and Means on April 7, 2009:**

Senate Bill 1806 was originally filed as a shell bill expressing legislative intent to revise laws relating to governmental operations. The Policy and Steering Committee on Ways and Means adopted the committee substitute as described in this bill analysis.

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**B. Amendments:**

None.