

HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

The Estimating Conference estimates the Water Management Trust Fund will receive \$48.8 million from documentary stamp tax collections in fiscal year 2008-09.¹ Each fiscal year the trust fund receives 4.20% of documentary stamp taxes and is capped at \$60.5 million beginning in fiscal year 2007-08.

This trust fund provides funds for the department's cost of administration of the fund and to the five water management districts for the purpose of land acquisition, management, maintenance, capital improvements, and administration of purchased lands. In part, s. 373.59, F.S., authorizes funds in the trust fund to be used:

for the purposes of land acquisition, management, maintenance, capital improvements of land titled to the districts, payments in lieu of taxes, debt service on bonds issued prior to July 1, 1999, debt service on bonds issued on or after July 1, 1999, which are issued to refund bonds issued before July 1, 1999, preacquisition costs associated with land purchases, and the department's costs of administration of the fund.

Effect of Proposed Changes

Effective February 1, 2009, this bill places restrictions on refunding bonds for which debt service will be paid with revenues from the Water Management Lands Trust Fund in the Department of Environmental Protection. The bill provides no refunding bonds may be issued that mature after the final maturity date of the bonds being refunded or provide for higher debt service in any year than is payable on these.

This bill redirects \$8 million to the General Revenue Fund starting in fiscal year 2009-10 from the Water Management Lands Trust Fund in the Department of Environmental Protection as follows:

- Of the 30% that is currently transferred to the South Florida Water Management District, debt service on bonds issued before February 1, 2009, will be paid first, next \$3 million will be transferred to the General Revenue Fund, and the remainder will be distributed to the District;

¹ Documentary Stamp Tax Collections and Distributions, Nov 08, <http://edr.state.fl.us/conferences/docstamp/Doc%20Stamp%20Distribution%20November%202008.pdf>.

- Of the 25% that is currently transferred to the Southwest Florida Water Management District, \$2.5 million first will be transferred to General Revenue Fund.
- Of the 25% that is currently transferred to the St. Johns River Water Management District, debt service on bonds issued before February 1, 2009, will be paid first, next \$2.5 million will be transferred to the General Revenue Fund, and the remainder will be distributed to the District;
- 10% will continue to be transferred to the Suwannee River Water Management District, and
- 10% will continue to be transferred to the Northwest Florida Water management District.

B. SECTION DIRECTORY:

Section 1. Amends subsections (1) and (8) of s. 373.59, F.S., redirecting funds from the Water Management Lands Trust Fund within the Department of Environmental Protection to the General Revenue Fund.

Section 2. Provides an effective date of upon becoming law.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The bill will reduce funds proceeding from the excise tax on documents distributed to the Water Management Lands Trust Fund by \$8 million as follows:

- Of the 30% transferred to the South Florida Water Management District, \$3 million will be transferred to the General Revenue Fund; however debt service on bonds issued before February 1, 2009, will be paid first;
- Of the 25% transferred to the Southwest Florida Water Management District, \$2.5 million will be transferred to General Revenue Fund;
- Of the 25% transferred to the St. Johns River Water Management District, \$2.5 million will be transferred to the General Revenue Fund; however debt service on bonds issued before February 1, 2009, will be paid first.

2. Expenditures:

Expenditures from this trust fund will be reduced by \$8 million for fiscal year 2009-2010 and each fiscal year thereafter.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

As a result of decreasing the Water Management Trust Fund revenue by \$8 million in fiscal year 2009-2010 and each fiscal year thereafter, water management districts will have a reduction of funds available for the purposes in s. 373.59, F.S.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

The bill provides annual redirection of funds totaling \$8 million starting in fiscal year 2009-2010 from the Water Management Trust Fund in the Department of Environmental Protection to the General Revenue

Fund. However, through fiscal year 2008-2009, monies from the Water Management Lands Trust Fund will be allocated pursuant to current law.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The bill does not appear to require municipalities or counties to take action requiring the expenditure of funds, reduce the authority that counties or municipalities have to raise revenue in the aggregate, nor reduce the percentage of a state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill does not provide rulemaking.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES

N/A.