

HOUSE OF REPRESENTATIVES STAFF FINAL BILL ANALYSIS

BILL #: HB 7021 PCB EAF 21-02 Resilient Florida Trust Fund/DEP
SPONSOR(S): Environment, Agriculture & Flooding Subcommittee; Busatta Cabrera and others
TIED BILLS: CS/HB 7019, HB 5401 **IDEN./SIM. BILLS:** SB 2514

FINAL HOUSE FLOOR ACTION: 118 Y's 0 N's **GOVERNOR'S ACTION:** Pending

SUMMARY ANALYSIS

HB 7021 passed the House on April 8, 2021, as SB 2514.

Article III, s. 19(f) of the Florida Constitution governs the creation of trust funds and provides that no trust fund of the state or other public body may be created without a three-fifths vote of the membership of each house of the Legislature in a separate bill for that purpose only.

The bill creates the Resilient Florida Trust Fund within the Department of Environmental Protection (DEP).

The bill specifies that moneys deposited in the trust fund are available as a funding source for DEP for the Resilient Florida Grant Program and the Statewide Flooding and Sea Level Rise Resilience Plan, including costs to operate the grant program, to develop the plan, and to provide grants to regional resilience coalitions. The bill also authorizes DEP to use moneys deposited in the trust fund for administrative and operational costs of the Florida Flood Hub for Applied Research and Innovation and coastal resilience initiatives.

The bill requires the Resilient Florida Trust Fund to terminate on July 1, 2025, unless terminated sooner. Before its scheduled termination, the bill requires the trust fund to be reviewed.

Creation and administration of a new trust fund will have insignificant administrative costs on DEP that can be absorbed within existing resources.

Subject to the Governor's veto powers, the effective date of this bill is on the same date that CS/CS/SB 1954 or similar legislation takes effect, except as otherwise provided.

I. SUBSTANTIVE INFORMATION

A. EFFECT OF CHANGES:

Background

Trust Funds

A trust fund may be created by law only by the Legislature and only if passed by a three-fifths vote of the membership of each house in a separate bill for that purpose only.¹ Except for trust funds being re-created by the Legislature, each trust fund must be created by statutory language that specifies at least the following:

- The name of the trust fund.
- The agency or branch of state government responsible for administering the trust fund.
- The requirements or purposes that the trust fund is established to meet.
- The sources of moneys to be credited to the trust fund or specific sources of receipts to be deposited in the trust fund.²

Pursuant to art. III, s. 19(f)(2) of the Florida Constitution, state trust funds must terminate not more than four years after the effective date of the act authorizing the initial creation of the trust fund. However, the Legislature may set a shorter period for which any trust fund is authorized.

Review of Trust Funds

Prior to the regular session of the Legislature immediately preceding the date on which any executive or judicial branch trust fund is scheduled to be terminated, the agency responsible for the administration of the trust fund and the Governor, for executive branch trust funds, or the Chief Justice, for judicial branch trust funds, must recommend to the Legislature whether a trust fund should be terminated or re-created.³ Each recommendation must be based on a review of the purpose and use of the trust fund and a determination of whether the trust fund will continue to be necessary. A recommendation to re-create the trust fund may include suggested modifications to the purpose, sources of receipts, and allowable expenditures for the trust fund.⁴

If the trust fund is terminated, all cash balances and income of the trust fund are deposited into the General Revenue Fund.⁵ The agency or Chief Justice pays the outstanding debts of the trust fund, and the Chief Financial Officer closes out and removes the trust fund from the state financial systems.⁶

Statewide Flooding and Sea Level Rise Resilience

With 1,350 miles of coastline and relatively low elevations, Florida is particularly vulnerable to coastal flooding.⁷ Coastal communities are experiencing high-tide flooding events with increasing frequency because sea level rise increases the height of high tides.⁸ In the United States, sea level rise and flooding threaten an estimated \$1 trillion in coastal real estate value, and analysts estimate that Florida could lose more than \$300 billion in property value by the year 2100.⁹

¹ Article III, s. 19(f)(a) of the Florida Constitution.

² Section 215.3207, F.S.

³ Section 215.3206(1), F.S.

⁴ *Id.*

⁵ Section 215.3206(2), F.S.

⁶ *Id.*

⁷ Florida Division of Emergency Management, *Enhanced State Hazard Mitigation Plan, State of Florida* [hereinafter "SHMP"] (2018), 107-108, 162, available at https://www.floridadisaster.org/globalassets/dem/mitigation/mitigate-fl--shmp/shmp-2018-full_final_approved.6.11.2018.pdf (last visited Jan. 25, 2021).

⁸ SHMP at 108, 101; National Oceanic and Atmospheric Administration, *High-Tide Flooding*, available at <https://toolkit.climate.gov/topics/coastal-flood-risk/shallow-coastal-flooding-nuisance-flooding> (last visited Jan. 25, 2021).

⁹ U.S. Global Change Research Program, *Fourth National Climate Assessment* (2018), 324, 758, available at https://nca2018.globalchange.gov/downloads/NCA4_2018_FullReport.pdf (last visited Jan. 25, 2021).

CS/CS/SB 1954, to which this bill is linked, includes various provisions aimed at addressing threats to the state from flooding and sea level rise. Specifically, the bill creates the Resilient Florida Grant Program, which authorizes the Department of Environmental Protection (DEP) to provide grants to local governments to fund the costs for community resilience planning to prepare for threats from flooding and sea level rise. The bill also requires DEP to annually develop a three-year Statewide Flooding and Sea Level Rise Resilience Plan, to be submitted to the Governor and the Legislature, that consists of ranked projects that address risks of flooding and sea level rise to coastal and inland communities.

In addition, the bill creates the Florida Flood Hub for Applied Research and Innovation within the University of South Florida College of Marine Science. The hub must organize existing data needs, coordinate research funds, establish community-based programs to improve flood monitoring and prediction, and develop opportunities to partner with other flood and sea level rise research and innovation leaders.

Lastly, the bill authorizes counties and municipalities to enter into agreements to form regional resilience coalitions for the purpose of planning for the resilience needs of communities and coordinating intergovernmental solutions to mitigate adverse impacts of flooding and sea level rise.

Effect of the Bill

The bill creates the Resilient Florida Trust Fund within DEP.

The bill specifies that moneys deposited in the trust fund are available as a funding source for DEP for the Resilient Florida Grant Program and the Statewide Flooding and Sea Level Rise Resilience Plan, including costs to operate the grant program, to develop the plan, and to provide grants to regional resilience coalitions. The bill also authorizes DEP to use moneys deposited in the trust fund for administrative and operational costs of the Florida Flood Hub for Applied Research and Innovation and coastal resilience initiatives.

The bill specifies that the Resilient Florida Trust Fund must be terminated on July 1, 2025, unless terminated sooner. Before its scheduled termination, the bill requires the trust fund to be reviewed.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

Creation and administration of a new trust fund will have insignificant administrative costs on DEP that can be absorbed within existing resources.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.