

**STORAGE NAME:** h0989a.ag  
**DATE:** March 18, 1997

**HOUSE OF REPRESENTATIVES  
COMMITTEE ON  
AGRICULTURE  
BILL ANALYSIS & ECONOMIC IMPACT STATEMENT**

**BILL #:** HB 989

**RELATING TO:** Citrus

**SPONSOR(S):** Representatives Spratt and Putnam

**STATUTE(S) AFFECTED:** Chapter 601, Florida Statutes

**COMPANION BILL(S):** SB 1344 (i) by Senator Bronson

**ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:**

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I. SUMMARY:

This bill makes changes to the Florida Citrus Code (code). Primarily, the bill clarifies that funds deposited in the Florida Citrus Advertising Trust Fund be used solely for the purposes set forth in the code. It clarifies that citrus inspection fees can be levied on an "hourly rate equivalent" basis. Finally, the bill changes the legal standard of proof for certain labeling violations. The Joint Citrus Industry Legislative Committee, an organization of citrus associations, unanimously supports the bill.

There is no fiscal impact to the Departments of Citrus and Agriculture and Consumer Services regarding the implementation of this bill.

II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

Chapter 601, Florida Statutes, is the Florida Citrus Code which regulates Florida's citrus industry. The code enables the citrus industry to use the taxing powers of the state to collect money from the industry to execute programs that promote citrus produce and products. Such monies are also used for regulating and conducting scientific research for the entire citrus industry.

Consequently, the Department of Citrus levies an excise or advertising tax on each box of commercial citrus fruit to promote citrus produce and products. These taxes are deposited in the Florida Citrus Advertising Trust Fund which is the major source of funds for the Department of Citrus. The Department of Citrus does not receive any general revenue funds.

Traditionally, the Florida Citrus Advertising Trust Fund monies have, exclusively, gone to fund the marketing, promoting, advertising, and researching of citrus fruit with one exception. The code requires that 3 percent of all revenues deposited in the citrus trust fund go to the General Revenue Fund for administrative purposes. The citrus industry has always intended that the revenues and interest accrued deposited in the trust fund through citrus growers' taxes would be used solely for citrus interests. However, specific language to that effect is not in the code.

The Department of Agriculture and Consumer Services inspects citrus fruit. It is authorized to levy inspection fees on citrus fruit based on each standard-packed box or equivalent of inspected citrus fruit.

In addition, the code establishes certain fines and penalties for knowingly mislabeling the growing region of fresh citrus fruit. In this case, the Department of Agriculture and Consumer Services represents that this provision is too high a standard to prove wrongdoing.

B. EFFECT OF PROPOSED CHANGES:

Section 1: Amending s. 601.02, F.S., clarifying that all funds collected and the interest accrued pursuant to chapter 601 be used solely for the purposes prescribed in chapter 601.

Section 2: Amending s. 601.15, F.S., clarifying that all funds collected and the interest accrued pursuant to this section be used solely for the purposes prescribed in chapter 601.

Section 3: Amending s. 601.28, F.S., clarifying that inspection fees based on the equivalent of a standard-packed box of citrus fruit includes an hourly rate equivalent.

Section 4: Amending s. 601.67, F.S., removing the term "knowingly" for violations of mislabeling the growing region of fresh citrus fruit.

Section 5: Providing an effective date of July 1, 1997.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

No.

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

No.

(3) any entitlement to a government service or benefit?

No.

b. If an agency or program is eliminated or reduced: **Not applicable.**

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

(2) what is the cost of such responsibility at the new level/agency?

(3) how is the new agency accountable to the people governed?

2. Lower Taxes:

a. Does the bill increase anyone's taxes?

No.

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b. Does the bill require or authorize an increase in any fees?

No.

c. Does the bill reduce total taxes, both rates and revenues?

No.

d. Does the bill reduce total fees, both rates and revenues?

No.

e. Does the bill authorize any fee or tax increase by any local government?

No.

3. Personal Responsibility: **Not applicable.**

a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

4. Individual Freedom: **Not applicable.**

a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

5. Family Empowerment: **Not applicable.**

a. If the bill purports to provide services to families or children:

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(1) Who evaluates the family's needs?

(2) Who makes the decisions?

(3) Are private alternatives permitted?

(4) Are families required to participate in a program?

(5) Are families penalized for not participating in a program?

b. Does the bill directly affect the legal rights and obligations between family members?

c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

(1) parents and guardians?

(2) service providers?

(3) government employees/agencies?

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

None.

2. Recurring Effects:

None.

3. Long Run Effects Other Than Normal Growth:

None.

4. Total Revenues and Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

None.

2. Recurring Effects:

None.

3. Long Run Effects Other Than Normal Growth:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

None.

2. Direct Private Sector Benefits:

The bill will provide assurances to Florida citrus growers that the Florida Citrus Advertising Trust Fund revenues and associated interest will continue to be used solely for the promotion of citrus produce and products.

3. Effects on Competition, Private Enterprise and Employment Markets:

None.

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D. FISCAL COMMENTS:

None.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

The mandates provision is not applicable to an analysis of HB 989 because the bill does not require municipalities or counties to spend funds or to take actions requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

HB 989 does not reduce the authority of municipalities or counties to raise revenues.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

HB 989 does not reduce any state tax revenues shared with municipalities and counties.

V. COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

None.

VII. SIGNATURES:

COMMITTEE ON AGRICULTURE:

Prepared by:

Legislative Research Director:

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