SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

CS/SB 170 BILL: Agriculture and Consumer Services Committee, Senators Geller and Dawson SPONSOR: **Citrus Canker Eradication** SUBJECT: March 22, 2001 DATE: REVISED: STAFF DIRECTOR ANALYST REFERENCE ACTION 1. Favorable/CS Akhavein Poole AG 2. AGG 3. AP 4. 5. 6.

I. Summary:

This bill appropriates \$50 million to the Department of Agriculture and Consumer Services (department) to compensate owners of residential citrus trees that have been removed from the owner's property as part of the Citrus Canker Eradication Program (CCEP). The CCEP sends out survey crews to look for citrus trees that appear to have canker symptoms. Once a tree has been determined to have citrus canker, all citrus trees lying within 1900 feet are considered exposed and are also slated for removal. Through the Shade Florida Program, owners currently receive a \$100 voucher redeemable at Wal-Mart Garden Centers to help restore greenery to their property. This bill appropriates \$40 million from the General Revenue Fund and \$10 million from the Florida Citrus Advertising Trust Fund to compensate owners \$100 for each tree removed. This program applies retroactively to trees removed on or after January 1, 1995.

Separate legislation creating the Citrus Canker Compensation Trust Fund is contained in Senate Bill 1244.

This bill creates an as yet unnumbered section of the Florida Statutes.

II. Present Situation:

Citrus canker is a bacterial disease of citrus that causes premature leaf and fruit drop. It is highly contagious and can be spread rapidly by windborne rain, equipment, animals and birds, people carrying infection on their hands or clothing, or by moving infected or exposed plants or plant parts. Citrus canker was discovered on residential properties in Broward, Miami-Dade, and Manatee counties in 1995, causing the Department of Agriculture and Consumer Services (department) to implement emergency procedures for citrus canker removal. Since that time, the

Citrus Canker Eradication Program (CCEP), organized and implemented through the department, has cut approximately 600,000 residential trees across South Florida.

The CCEP sends out survey crews to look for citrus trees that appear to have canker symptoms. When a suspect tree is found, a trained pathologist is sent to the property to do a final diagnosis and collect a sample of the infected material. The sample is tested under a microscope to verify the citrus canker diagnosis. If the sample tests positive for canker, the city in which the tree is located is notified of a positive test and is given 10 days to get a second opinion of the infestation. If the city declines the option of a second opinion, an Immediate Final Order (IFO) is sent to the owner of the diseased tree and to the owners of every citrus tree that falls within a 1,900 feet arc of the infested tree, notifying them that their diseased or exposed tree will be cut. Residents have five days after receiving an IFO to file an appeal before the tree is cut.

The 1,900 feet distance was determined from a specific research study conducted by a USDA plant pathologists under the weather conditions in South Florida. Over 15,000 trees were identified and monitored for evidence of citrus canker disease. From this research, it was determined that approximately 95 percent of the exposed trees that became diseased were up to 1,900 feet away from a single disease-positive tree. It was further found that the previously used distance of 125 feet for exposed trees captured only 20 percent of the trees likely to be infected by the disease from a disease-positive tree. Using 125 feet to determine what exposed trees to remove meant that up to 80 percent of the trees not yet showing canker symptoms were being left to further spread the disease.

In November 2000, a circuit court judge issued an injunction to halt the cutting of trees in Broward County. The injunction has since been challenged in the 4th District Court of Appeals. The ruling applied only to Broward County, but the state has agreed to apply it in Miami-Dade as well. The department continues to cut diseased and exposed trees in Palm Beach County.

Legislation passed in 1999 to authorize the department to establish the Shade Florida program. The program provides each resident, regardless of the number of trees destroyed on their property, with a \$100 voucher redeemable at Wal-Mart Garden Centers. The voucher may be used towards the purchase of any non-citrus trees, plants, or garden supplies, and is valid for one year from the date of purchase. This \$100 voucher program is not meant to be compensation. It is an effort to help residents restore some of the greenery to their communities and the department's way of thanking them for their sacrifices. To date, \$18 million has been appropriated for the Shade Florida program. The United States Department of Agriculture has partnered with the department, providing \$15 million of the total appropriation.

Chapter 601, Florida Statutes, the Florida Citrus Code, 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. Consequently, the Department of Citrus levies an excise or advertising tax on each box of commercial citrus fruit. 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.

III. Effect of Proposed Changes:

Section 1. Appropriates \$40 million from the General Revenue Fund and \$10 million from the Florida Citrus Advertising Trust Fund to the Department of Agriculture and Consumer Services to be used as compensation for residential citrus trees removed as part of the Citrus Canker Eradication Program. Sets compensation at \$100 per tree. Provides that specification of a pertree amount of compensation does not limit the amount of compensation that may be paid by another entity or pursuant to court order for the removal of citrus trees as part of a citrus canker eradication program.

Section 2. Provides that this act shall take effect upon becoming a law and shall operate retroactively to provide compensation for citrus trees removed on or after January 1, 1995.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Residential property owners who have citrus trees removed from their property as part of the Citrus Canker Eradication Program will be compensated \$100 per tree removed.

C. Government Sector Impact:

This bill does not appropriate funds for the Department of Agriculture and Consumer Services to use for administrative costs. This fiscal statement reflects requests from the department for additional general revenue in order to meet these expenses.

| | Fund | Fiscal Year 2001-2002 |
|--|------|-----------------------|
| OPERATING COSTS : | | |
| Non-Recurring | | |
| Tree removal compensation @ \$100 per tree | GR | 40,000,000 |
| | CITF | 10,000,000 |

| Postage, letters, envelopes | GR | 400,000 |
|--|------|---------------|
| • | | 400,000 |
| Expense for comptroller; 200,000 checks for \$.15 | GR | 30,000 |
| Contractual – Modification to existing software | GR | 20,000 |
| Total Cost by Fund | GR | \$40,450,000 |
| Total Cost by Fund | CITF | \$ 10,000,000 |
| TOTAL NON-RECURRING COSTS: | | \$50,450,000 |

None.

VI.

VII. Related Issues:

None.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.