

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 823 Inspection of Perishable Items
SPONSOR(S): Zapata and others
TIED BILLS: **IDEN./SIM. BILLS:** SB 1992

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Agriculture Committee		Kaiser	Reese
2) Domestic Security Committee			
3) Agriculture & Environment Appropriations Committee			
4) State Resources Council			
5) _____			

SUMMARY ANALYSIS

HB 823 requires the Department of Agriculture and Consumer Services (department) to manually inspect each perishable item that enters Florida through one of the state's airports and is exported by a country that has been identified by the United States Department of State as a country in which a terrorist organization exists.

This legislation appears to have a fiscal impact on state government of approximately \$11.9 million. The legislation provides for the costs of the inspections to be borne by the importers of the perishable items.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Provide limited government: The Department of Agriculture and Consumer Services anticipates it will need additional FTEs in order to perform the provisions of this legislation.

Promote personal responsibility: The legislation requires the importers of perishable items to borne the costs of inspection.

B. EFFECT OF PROPOSED CHANGES:

The United States Department of State (DOS) compiles a report, *Patterns of Global Terrorism*, each year listing acts of international terrorism. In the DOS 2003 report¹, 208 acts of international terrorism are listed, with 35 of those being committed against Americans in Columbia, the Philippines, Israel, the West Bank, Gaza, Iraq, Saudi Arabia and Afghanistan. Additionally, the DOS's "state sponsors of terrorism" include Cuba, Iran, Libya, North Korea, Sudan, and Syria.

Florida currently has 16 international airports. During the FY 2003-04, an estimated \$2.1 million tons of perishables arrived at Miami International Airport alone. This legislation requires that each perishable item (be it food or plant material) must be manually inspected if the shipment originated from one of the above-mentioned countries. While the Florida Statutes provide a definition for perishables as it pertains to food², perishables as used in the bill would also include plant material, such as fresh flowers.

Currently, the department inspects agricultural products at the state's 22 agricultural interdiction stations, but does not perform inspections at airports. The United States Department of Agriculture (USDA) and the Department of Homeland Security (DHS) currently have jurisdictional authority over agricultural commodities moving in international trade. Since the events of September 11th, 2001, DHS has implemented procedures which make it very difficult for nonfederal employees to obtain clearance for access to various parts of the airports. Because the bill mandates the inspections to be done by department employees, special clearance from the federal authorities to access areas of the airports where the shipments arrive would be necessary.

HB 823 requires the Department of Agriculture and Consumer Services (department) to manually inspect each perishable item that enters Florida through one of the state's airports and is exported by a country that has been identified by the United States Department of State as a country in which a terrorist organization exists.

C. SECTION DIRECTORY:

Section 1: Provides for the Department of Agriculture and Consumer Services to manually inspect each perishable item entering the state through any of the state's airports and being exported by a country in which a terrorist organization exists; provides the cost of the inspection shall be borne by the importer of such items.

Section 2: Provides an effective date of July 1, 2005.

¹ <http://www.state.gov/s/ct/rls/pgtrpt/2003/>

² Section 768.136(1)(d), F.S.
STORAGE NAME: h0823.AG.doc
DATE: 3/11/2005

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

	FY 05-06 Amt/FTE	FY 06-07 Amt/FTE	FY 07-08 Amt/FTE
Recurring:			
Plant Inspection Trust Fund (PITF)	<u>\$11,930,972</u>		

2. Expenditures:

Recurring:			
Salaries & Benefits: (PITF)			
(9) Agriculture and Consumer Protection Specialist Supervisor (PG 19) @ \$45,019 each	\$ 405,171		
(180) Agriculture and Consumer Protection Specialist (PG 17) @ \$41,270 each	<u>7,428,600</u>		
Total Salaries & Benefits	7,833,771		
Expenses: (PITF)			
(189) Professional expense packages @ \$9,743 each	1,841,427		
Human Resource Services: (PITF)			
(189) FTE @ \$389 each	73,521		
AGMIC: (GR or GITF)			
PC Network Support Services/Microsoft License Security Support Services, etc. (189) FTE @ \$1,500 each			
	283,500		
Non-Recurring: (PITF)			
(189) Professional OCO packages @ \$1,800 each	340,200		
(90) Ford Ranger 4x2 @ \$11,392	1,025,280		
Non-Operating Costs: (PITF)			
Administrative /Indirect Costs	<u>533,273</u>		
Total Costs (All Funds)	<u>\$11,930,972</u>		

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None

2. Expenditures:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The estimated fiscal impact on the private sector would be \$11,930,972 in new fees that the importers would have to pass on to its customers as well as the costly delays in getting their products inspected and released. There would also be the potential losses to local businesses if, and when, importers move their operations to other states that do not require these types of inspections.

D. FISCAL COMMENTS:

The estimated fiscal impact is based on information provided by the United States Department of Agriculture (USDA) for shipments of cut flowers imported from Colombia, South America. During 2004, there were 13,360,887 boxes of cut flowers imported through Miami from Colombia. To perform a 100% inspection on each box would require approximately one inspector per 34 boxes per hour. It should also be noted that the shipment would be seasonal resulting in a greater demand for inspection resources around certain periods, i.e. Valentine's Day, Mother's Day, Easter, etc.

Based on the Colombian information, the recurring amount and FTE's were calculated as follows: 13,360,887 boxes divided by 34 boxes per hour divided by 2080 hours per FTE per year = 189 FTEs. Additionally, the department calculated one supervisory position for every (20) Agriculture and Consumer Protection Specialist positions.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The bill does not require counties or municipalities to take an action requiring the expenditure of funds, does not reduce the authority that counties or municipalities have to raise revenues in the aggregate, and does not reduce the percentage of state tax shared with counties or municipalities.

2. Other:

The United States Department of Agriculture (USDA) and the Department of Homeland Security (DHS) have jurisdictional authority over agricultural commodities moving in international trade. Trying to control these products under state authority would more than likely be challenged in court. Therefore, this bill, as written, may have constitutionality implications.

B. RULE-MAKING AUTHORITY:

None

C. DRAFTING ISSUES OR OTHER COMMENTS:

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES