

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.)

Prepared By: General Government Appropriations Committee

BILL: CS/CS/SB 994

INTRODUCER: General Government Appropriations Committee, Agriculture Committee, and Senator Alexander

SUBJECT: Citrus Canker

DATE: April 25, 2006

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Akhavein</u>	<u>Poole</u>	<u>AG</u>	<u>Fav/CS</u>
2.	_____	_____	<u>DS</u>	<u>Withdrawn</u>
3.	_____	_____	<u>TA</u>	<u>Withdrawn</u>
4.	<u>Blizzard</u>	<u>Hayes</u>	<u>GA</u>	<u>Fav/CS</u>
5.	_____	_____	<u>WM</u>	<u>Withdrawn</u>
6.	_____	_____	<u>RC</u>	<u>Withdrawn</u>

I. Summary:

The bill replaces the Department of Agriculture and Consumer Services' (department) citrus canker eradication program with a comprehensive citrus health plan aimed at minimizing the impact of exotic citrus pests and diseases. It revises various sections of the statutes that formerly applied to the eradication program by making them apply to successor programs or deleting them if no longer applicable. It regulates citrus nursery stock propagation, production, and sale or distribution. It sets a deadline for filing canker eradication claims and appropriates funds for that purpose. It provides a manner in which the excise box tax on citrus can be reduced and removes any requirement that a specific percentage of the box tax revenue be spent on specified items.

The bill substantially amends sections 120.80, 193.461, 581.184, 581.1845, 601.15, and 933.02, Florida Statutes.

The bill creates section 581.1843, Florida Statutes, and provides appropriations to implement a comprehensive citrus health plan.

II. Present Situation:

Citrus production in the United States has been an important part of our rich and abundant agricultural heritage, dating back to the introduction of citrus into St. Augustine, Florida in the 1500s. Despite many challenges over the years from invasive pests and diseases, in Florida alone, commercial citrus is a nine billion dollar a year industry, with some 750,000 acres in production.

In recent years, commercial citrus production in Florida has been at the forefront of many of the issues that face United States citrus production. Weather events that occurred within the 2004 and 2005 hurricane seasons, coupled with the introduction and spread of citrus canker and citrus greening, have resulted in a unique combination of impacts. Despite a ten-year effort to eliminate citrus canker, the combination of program delays from legal challenges to the eradication program and unprecedented hurricane activities has allowed the disease to spread to the point that eradication is no longer considered possible by the U.S. Department of Agriculture. This situation has dictated the need to look at approaches other than eradication to help protect citrus production and mitigate the impact of diseases.

According to experts at the Division of Plant Industry in the department, citrus greening disease may be the most serious citrus disease in the world. In areas where the disease is endemic, citrus trees may live for five to eight years and never produce usable fruit. Citrus greening was reported in south Miami-Dade County in August 2005.

There is an excise tax set by statute on each standard-packed box of citrus grown and placed in the primary channel of trade in Florida. There are statutory directions that not more than 24 percent be spent on research and administration, with the balance being spent on advertising and marketing.

III. Effect of Proposed Changes:

Section 1 amends s. 193.461, F.S., to provide that lands taken out of agricultural production due to successor programs to the citrus canker eradication program shall continue to be classified as agricultural lands for assessment purposes.

Section 2 amends s. 581.184, F.S., to require the department to adopt rules to implement a comprehensive citrus health response plan to minimize the impact of exotic citrus pests and diseases. Deletes provisions relating to the citrus canker eradication program.

Section 3 creates s. 581.1843, F.S., to regulate citrus nursery stock propagation and production as follows:

- Defines “commercial citrus grove” as a solid set planting of 40 or more citrus trees.
- Prohibits propagation for sale of citrus nursery stock after January 1, 2007, unless it is grown on a site at least one mile from commercial citrus groves and in a structure approved by the department, except that a nursery registered with the department prior to April 1, 2006 shall not have to meet the one-mile setback. Effective January 1, 2008, distribution of any citrus nursery stock is prohibited unless it was produced in a structure approved by the department.
- Requires the department to adopt rules setting forth conditions under which citrus nursery stock can be propagated, grown, sold, or moved and the specifications for the approved site and protective structure.
- The department’s rules must be consistent with scientific findings and recommendations of the Citrus Budwood Technical Advisory Committee.
- Directs the department to establish regulated areas around the perimeter of commercial citrus nurseries not to exceed a radius of 1 mile. Sets forth acts the department is authorized to take to control citrus plants in a regulated area, which can require removal and destruction.

- Preempts to the state the power to regulate removal or destruction of citrus plants under this section.
- Directs the department to relocate foundation source trees maintained by the Division of Plant Industry to protective structures at the Division of Forestry nursery in Chiefland or to other protective sites located a minimum of ten miles from any commercial citrus grove.

Section 4 amends s. 581.1845, F.S., to require that all claims for compensation under the citrus canker eradication, the Shade Dade, or Shade Florida programs be filed with the department no later than December 31, 2007. Compensation of these claims is subject to availability of funds specifically appropriated for such purpose in the 2006-2007 fiscal year or prior fiscal years.

Section 5 amends s. 120.80, F.S., to delete a rulemaking exception related to the citrus canker eradication program.

Section 6 amends s. 348.008, F.S., to delete a statutory reference to the citrus canker eradication program.

Section 7 amends s. 933.02, F.S., to delete references and terms relating to the citrus canker eradication program and to replace violation of a quarantine for citrus canker as grounds for a search warrant with violation of laws relative to citrus disease.

Section 8 amends s. 933.40, F.S., to delete references and terms relating to the citrus canker eradication program.

Section 9 appropriates \$10,197,063 from the Agricultural Emergency Eradication Trust Fund and \$16,706,310 from the Contracts and Grants Trust Fund to the department to implement a comprehensive citrus health program.

Section 10 amends s. 601.15, F.S., to permit the Florida Citrus Commission (commission) of the Department of Citrus, by a majority vote of its members, to reduce the excise tax on a box of citrus below the amount set forth in the statutes provided the commission has determined that the rate set will result in funds being collected that exceed projected needs, including all legal obligations. It deletes the requirement that not more than 24 percent of moneys collected shall be spent for research, administrative expenses, and other such expenses that are not related to advertising.

Section 11 provides that this act shall take effect July 1, 2006.

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:

The excise box tax authorized in s. 601.15, F.S., can be decreased by a majority vote of the commissioners of the Florida Department of Citrus. There is no impact unless the commission actually decreases the tax rate. The impact will depend upon the amount the rate is decreased.

B. Private Sector Impact:

Persons or entities subject to the excise box tax could pay a reduced amount in taxes if the commission authorizes the same.

C. Government Sector Impact:

Appropriates \$10,197,063 from the Agricultural Emergency Eradication Trust Fund and \$16,706,310 from the Contracts and Grants Trust Fund to be used to implement a comprehensive citrus health plan.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Summary of Amendments:

None.

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