

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Agriculture Committee

BILL: CS/SB 1702

INTRODUCER: Agriculture Committee and Senator Alexander

SUBJECT: Department of Agriculture and Consumer Services

DATE: March 20, 2008 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Akhavein	Poole	AG	Fav/CS
2.			GA	
3.			RC	
4.				
5.				
6.				

Please see Section VIII. for Additional Information:

- | | | |
|------------------------------|-------------------------------------|---|
| A. COMMITTEE SUBSTITUTE..... | <input checked="" type="checkbox"/> | Statement of Substantial Changes |
| B. AMENDMENTS..... | <input type="checkbox"/> | Technical amendments were recommended |
| | <input type="checkbox"/> | Amendments were recommended |
| | <input type="checkbox"/> | Significant amendments were recommended |

I. Summary:

The Florida Government Accountability Act requires the Department of Agriculture and Consumer Services (department) and its advisory committees to be reviewed by July 1, 2008, to determine if it and its committees should be retained, modified or abolished. This committee substitute reenacts the department and makes statutory changes that were recommended in the Agency Sunset Review Interim Report (2008-202).

The following have been identified for fee adjustments to reduce reliance on general revenue funds:

- County fire protection and land management assessments;
- Wholesale and retail saltwater products dealer licenses;
- Annual registrations for each registered pesticide brand;
- The statutory cap on permit fees for food stores;
- Fertilizer inspections;
- Master registrations for distributors of commercial feed; and
- Aquaculture certificates of registration.

This committee substitute reenacts paragraphs (a), (b), (c), (d), (f), (g), (h), (i), (k), and (l) of subsection (2) of s. 20.14, Florida Statutes.

This committee substitute amends ss. 125.27, 370.07, 487.041, 500.12, 576.041, 580.041, and 597.004, Florida Statutes.

II. Present Situation:

Sections 11.901-920, F.S., are known as the Florida Government Accountability Act. Under this act, most state agencies and their respective advisory committees are subject to a “sunset” review process to determine whether an agency should be retained, modified or abolished. Staff of the Senate Agriculture Committee conducted a review of the Department of Agriculture and Consumer Services and its advisory committees. Agency Sunset Review Interim Report 2008-202 provides recommendations to fulfill the committee’s obligations under the Sunset Review. They are as follows:

Recommendation #1

The Legislature should retain the Department of Agriculture and Consumer Services.

Recommendation #2

The Legislature should retain all of the technical councils and advisory committees except for the Caribbean Fruit Fly Technical Committee and the Exotic Pest of Citrus Council, which have been inactive and could be combined with other committees.

Recommendation #3

The Legislature could consider directing DACS to develop a replacement schedule to support the full costs associated with boat/vehicle replacement. In developing a schedule, DACS could work with DMS and OPPAGA to identify the life cycle costs related to boat/vehicle ownership including initial acquisition costs (through recognition of depreciation over a boat/vehicle’s useful life), operating costs, repairs and routine maintenance, and surplus value when the boat/vehicle is replaced.

Recommendation #4

The Legislature could consider increasing or creating fees for the following activities described in the report to reduce the need for general revenue:

Increase the fees for the different types of retail and wholesale seafood dealer licenses.

Privatize state farmers’ markets, or increase rental rates, or sell/combine markets with the lowest commodity sales.

Require mandatory industry contributions (perhaps a prorated percentage) to the Division of Marketing and Development for all domestic and international trade event participation.

Require mandatory industry contributions (perhaps a prorated percentage) for all domestic and international in-store retail marketing campaigns.

Develop and implement a “creative services rate card” for marketing initiatives designed to assist individual businesses and sectors (i.e. Associations).

Increase the annual registration fee for pesticide brands by \$100 (from \$250 to \$350).

Increase the fee for fertilizer by \$0.25/ton (from \$0.75 to \$1.00/ton).

Increase the annual fees on commercial feed, based on tons of feed distributed in Florida.

Increase recreational fees or create a sliding scale for DACS-owned lands that require higher maintenance.

Increase county fire protection and land management assessments, which serve as cost-sharing mechanisms for statewide fire protection and land conservation.

Establish fees for shellfish processing plant inspections.

Phase in an increase to the \$50 fee for aquaculture certifications that are required for any person engaging in aquaculture activities.

Increase permit fees for food stores whose fees are not already at the statutory cap by raising or removing the statutory caps on fee levels.

Recommendation #5

The Legislature could direct the Office of Program Policy Analysis and Government Accountability to conduct a review of regulatory authority and responsibilities that DACS and the Department of Education have for the U.S. Department of Agriculture's National School Lunch Program and Summer Food Service Program in order to determine if there is duplication of activities and if efficiencies could be achieved.

Recommendation #6

To improve program operations and reduce costs, the Legislature could consider combining the two budget entities, Land Management and Wildfire Prevention and Management, into a single budget entity. This should simplify accounting and budgeting procedures, since most of the division's employees, facilities, and equipment are used to provide services to both budget entities.

Recommendation #7

The Legislature could consider centralizing land management activities under one state agency.

Recommendation #8

The Legislature could consider eliminating the Division of Agricultural Environmental Services' Operational Support Unit, including the dog fly control program, which would reduce \$227,926 in Salaries and Benefits and expenses from general revenue.

Recommendation #9

The Legislature could consider eliminating funds for mosquito control now provided to local governments with local budgets over \$1,000,000 (25 districts). This would result in a reduction of \$930,200 (25 districts at \$37,208 per district).

Recommendation #10

The Legislature could consider selling a current dog fly/mosquito control aircraft (1941 DC3).

Recommendation #11

The Legislature could consider eliminating the \$250,000 earmarked for mosquito control research.

III. Effect of Proposed Changes:

Section 1. Reenacts paragraphs (a), (b), (c), (d), (f), (g), (h), (i), (k), and (l) of subsection (2) of s. 20.14, F.S.

Section 2. Amends s. 125.27, F.S., to increase county fire protection and land management assessments, which serve as cost-sharing mechanisms for statewide fire protection and land conservation, from 3 cents to 7 cents.

Section 3. Amends s. 370.07, F.S., to increase the fees for the following wholesale and retail and saltwater products dealer licenses:

- Increases the \$300 annual license tax for a resident wholesale county seafood dealer to \$400.
- Increases the \$450 annual license tax for a resident wholesale state dealer to \$550.
- Increases the \$500 annual license tax for a nonresident wholesale county dealer to \$600.
- Increases the \$1,000 annual license tax for a nonresident wholesale state dealer to \$1,100.
- Increases the \$1,000 annual license tax for a wholesale county dealer to \$1,100.
- Increases the \$1,500 annual license tax for an alien wholesale state dealer to \$1,600.
- Increases the \$25 annual license tax for a resident retail dealer to \$75 and increases the \$10 annual license tax for that dealer’s additional places of business to \$25.
- Increases the \$200 annual license tax for a nonresident retail dealer to \$250 and increases the \$25 annual license tax for that dealer’s additional places of business to \$40.
- Increases the \$250 annual license tax for an alien retail dealer to \$300 and increases the \$50 annual license tax for that dealer’s additional places of business to \$65.

Section 4. Amends s. 487.041, F.S., to increase the annual registration fee for registered pesticide brands from \$250 to \$350. Provides that each registration issued in odd-numbered years shall be assessed a fee of \$700, rather than \$500 per brand of pesticide. Provides that registrations issued in even-numbered years shall be assessed a fee of \$350, rather than \$250 per brand of pesticide.

Section 5. Amends s. 500.12, F.S., to increase the statutory cap on permit fees for food stores from \$500 to \$650.

Section 6. Amends s. 576.041, F.S., to increase the inspection fee for fertilizer from \$0.75 to \$1.00 per ton.

Section 7. Amends s. 580.041, F.S., to increase the annual fees on commercial feed, based on tons of feed distributed in Florida, as follows:

Sales in Tons	Current Fee	Proposed
Zero, up to and including 25	25	40
More than 25, up to and including 50	50	75
More than 50, up to and including 100	100	150
More than 100, up to and including 300	300	375
More than 300, up to and including 600	500	600

More than 600, up to and including 1,000	750	900
More than 1,000 up to and including 2,000	1,000	1,250
More than 2,000, up to and including 5,000	1,500	2,000

Section 8. Amends s. 597.004, F.S., to increase the annual registration fee for aquaculture certification from \$50 to \$100.

Section 9. Provides that this act shall take effect upon becoming a law

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

See Private Sector and Government Sector Impact Sections.

B. Private Sector Impact:

The committee substitute’s increase in fees for retail and wholesale saltwater products dealer licenses would require the payment of \$312,425 in additional fees.

The committee substitute’s fee increases would require the payment of \$400,000 in additional fees in Fiscal Year 2008-2009 by the producers of pesticides, fertilizers, and feed in order to register and market their products in Florida.

The committee substitute would require food firms the department regulates to collectively pay an estimated additional amount of over \$800,000 in annual food permit fees each fiscal year, beginning in Fiscal Year 2008-09. Actual permit fees are scaled according to the food safety risk associated with each firm type, size, and complexity of firm operations and the average length of time necessary to complete a routine inspection within a firm category. With the increased maximum fee amount, permit fees would more accurately reflect the level of regulation each firm requires. The projected increases range from zero to \$150, depending on the individual firm type.

The committee substitute would require the payment of \$49,000 in additional fees in Fiscal Year 2008-09 in annual registration fees for aquaculture certification.

C. Government Sector Impact:

For Fiscal Year 2008-09, the department estimates the increased fees for county fire protection and land management assessments would generate an additional \$871,257 in recurring general revenue.

The department estimates the increased fees for retail and wholesale saltwater products dealer licenses would generate an additional \$312,425 in recurring revenue in the Florida Saltwater Products Promotion Trust Fund to assist the industry to promote their products and general additional sales of seafood products.

The department estimates the increased fees would generate an additional \$1.6 million in recurring revenue in the General Inspection Trust Fund for the operation of the commercial feed, pesticide registration, and fertilizer inspection programs. For Fiscal Year 2008-2009, the department estimates an additional \$2.8 million in recurring revenue, which includes \$800,000 in the food safety inspection program. This additional revenue reduces the reliance on general revenue funds to subsidize these programs.

Increasing the permit fee cap in the food safety program would allow general revenue savings of \$400,000 in the 2008-2009 fiscal year.

The department estimates the fee increase for annual registration for aquaculture certification would generate an additional \$49,000 in recurring revenue in the General Inspection Trust Fund.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

- A. Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Agriculture on March 19, 2008:

CS/SB 1702 is different from SB 1702 in that it reenacts the Department of Agriculture and Consumer Services and its divisions, as recommended in the Agency Sunset Review Interim Report 2008-202. Those divisions are as follows:

- Administration
- Agricultural Environmental Services
- Animal Industry
- Aquaculture
- Dairy Industry
- Food Safety
- Forestry
- Fruit and Vegetables
- Marketing and Development
- Plant Industry¹

The committee substitute also makes statutory changes to adjust fees for the following activities in order to reduce reliance on general revenue funds:

- County fire protection and land management assessments;
- Wholesale and retail saltwater products dealer licenses;
- Annual registrations for each registered pesticide brand;
- The statutory cap on permit fees for food stores;
- Fertilizer inspections;
- Master registrations for distributors of commercial feed; and
- Aquaculture certificates of registration.

B. Amendments:

None.

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

¹ The divisions of Licensing, Consumer Services, and Standards are reenacted in the Agency Sunset Review Interim Report 2008-207.