

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 2222

INTRODUCER: Agriculture Committee

SUBJECT: Review of the Department of Citrus

DATE: March 27, 2008 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Poole	Poole	AG	Fav/CS
2.			GA	
3.				
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 Department of Citrus, including the Florida Citrus Commission, having been subject to a “sunset” review under the Florida Government Accountability Act is retained by this committee substitute. The School Marketing Program Administrative Committee is discontinued and the Citrus Stabilization Act under which it was created is repealed. Through a series of statutory changes over the years, authority to market and promote Florida citrus products in ways contemplated by the Citrus Stabilization Act are now provided in other sections of law. Therefore, this particular act is duplicative.

The committee substitute changes the date by which the Citrus Commission sets the tax rate for the season from “prior to August 1” to “prior to November 1” of each year. This change makes it possible for the Citrus Commission to set the citrus tax rate based upon the first official USDA crop estimate of each season.

This committee substitute reenacts sections 20.29, 601.04 and 601.05, F.S.

This committee substitute amends section 601.15, F.S.

This committee substitute repeals section 601.154, F.S.

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 the agency should be retained, modified or abolished. As a result a report was issued that reviewed the Department of Citrus including the Florida Citrus Commission.

The citrus industry is a major part of Florida’s economy that continues to increase in production value. Between 1950 and 200, the inflation adjusted production value for all Florida citrus grew from \$393.5 million to \$1.3 billion in 2006 dollars.

State regulation of the citrus industry was initiated in 1935 with the passage of chs. 16854 and 16863, L.O.F. The Legislature determined in these acts that the exercise of police power was needed to stabilize and protect the citrus industry which was a major agricultural enterprise in Florida. These acts established the Florida Citrus Commission (Commission) to promulgate citrus industry regulations. Further, the Commission has general supervisory authority over the Department.

The Department was established by ss. 20.29 and 601.05, F.S. As provided by s. 601.10, F.S., the Department is authorized to promulgate rules, employ staff, expend and invest funds, collect and disseminate information, and contract with private entities in order to carry out the requirements of the Florida Citrus Code (Ch. 601.F.S.).

The Senate Committee on Agriculture is the primary committee for sunset review of the Department. The Senate General Government Appropriations Committee assisted in this review.

An interim report with the following recommendations was issued to assist the Committee in fulfilling its obligations under the Sunset Review:

- Recommendation #1
The Legislature should retain the Department.
- Recommendation #2
The Legislature should give consideration to eliminating the School Marketing Program Administrative Committee.
- Recommendation #3
The Department should build upon its opportunity to establish a new dialogue with citrus growers to enhance the industry and clearly define the role of the Department.
- Recommendation #4
The citrus industry should collectively agree upon a preferred way forward by refining the options before it such as petitioning the federal government to allocate a portion of the duties paid on imported juice to supplement grower funded promotions, and evaluating the feasibility of establishing a federal research and promotion program for orange juice.

- Recommendation #5
Research into citrus disease cures and controls as well as abscission methods and mechanical harvesting should be continued, even enhanced.

III. Effect of Proposed Changes:

The committee substitute reenacts the sections of the statutes that created and established the Department of Citrus and the Florida Citrus Commission.

The committee substitute repeals the Citrus Stabilization Act and thereby the School Marketing Program Administrative Committee which was formed under the authority of the Act in 1972. The Committee has not been utilized recently and all available funds were expended by the close of Fiscal Year 2006-07. Through a series of statutory changes over the years, authority to market and promote Florida citrus products in ways contemplated by the Citrus Stabilization Act, as well as the authority to budget, tax and make expenditures for these purposes is provided by the more broadly encompassing s. 601.15, F.S. Therefore, the duplicative s. 601.154, F.S., is repealed.

The committee substitute changes the date by which the Citrus Commission sets the tax rate for the season from “prior to August 1” to “prior to November 1” of each year. This change makes it possible for the Citrus Commission to set the citrus tax rate based upon the first official USDA crop estimate of each season.

This committee substitute 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:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

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.)

The Committee Substitute for Senate Bill 2222 is different from Senate Bill 2222 in that it changes the date by which the Citrus Commission sets the tax rate for the season from “prior to August 1” to “prior to November 1” of each year. This change makes it possible for the Citrus Commission to set the citrus tax rate based upon the first official USDA crop estimate of each season.

B. Amendments:

None.