

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 Policy and Steering Committee on Ways and Means

BILL: CS/SB 1508

INTRODUCER: General Government Appropriations Committee and Senator Baker

SUBJECT: Department of Agriculture and Consumer Services

DATE: March 22, 2010 **REVISED:** _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Blizzard	DeLoach	GA	Fav/CS
2.	Blizzard	Coburn	WPSC	Favorable
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

Please see Section VIII. for Additional Information:

A. COMMITTEE SUBSTITUTE..... Statement of Substantial Changes

B. AMENDMENTS..... Technical amendments were recommended

Amendments were recommended

Significant amendments were recommended

I. Summary:

This bill consolidates the Division of Dairy Industry with the Division of Food Safety within the Department of Agriculture and Consumer Services. Inspections of dairy farms, milk plants, and milk product plants and other specified functions of the Division of Dairy Industry will continue to be provided by the Division of Food Safety. The implementation of this part of the bill provides a recurring general revenue savings of \$239,496.

The bill removes limitations on the use of funds in the Market Improvements Working Capital Trust Fund within the Department of Agriculture and Consumer Services. Revenues in the fund are to be used for activities associated with agricultural marketing facilities. The implementation of this part of the bill provides a recurring general revenue savings of \$96,137.

The bill eliminates distributions of the gross receipts from transactions relating to state forests. Currently, the Division of Forestry within the Department of Agriculture and Consumer Services is required to distribute 15 percent of the gross receipts from the sale of state forest products to fiscally constrained counties as defined in section 218.67(1), Florida Statutes. This bill eliminates this distribution. The Division of Forestry estimates that in Fiscal Year 2010-2011,

\$400,000 in trust fund revenues will not be distributed to fiscally constrained counties, but will be retained in the Incidental Trust Fund within the department due to the provisions of this bill.

This bill substantially amends the following sections of the Florida Statutes: 20.14, 570.18, 570.29, 570.41, 570.41, 570.50, 570.531, 589.01, and 589.08.

II. Present Situation:

Division of Dairy

The Division of Dairy Industry is a separate entity within the Department of Agriculture and Consumer Services and conducts the dairy regulatory program under chapters 502 and 503, Florida Statutes. The division is responsible for inspection of dairy farms, including the inspection of dairy cattle, milk plants, milk product plants, and facilities engaged in the manufacture and distribution of frozen desserts. The division collects and tests samples from dairy farms and processing plants for compliance with established product quality standards. In addition, the division regulates the interstate shipment of milk. Currently, the division is funded by general revenue and trust funds. Dairy inspections and license fees generate revenue of approximately \$19,315 annually.

Market Improvements Working Capital Trust Fund

Section 570.531, F.S. creates the Market Improvements Working Capital Trust Fund within the Department of Agriculture and Consumer Services. This trust fund was established as the sole depository of funds collected from agricultural marketing facilities and only costs associated with the operation, maintenance, and expansion of agricultural marketing facilities are authorized to be paid from this fund. Revenues deposited into the trust fund in Fiscal Year 2009-2010 are approximately \$3,951,501.

State Forests

Currently, the Division of Forestry is required to distribute 15 percent of gross receipts from the proceeds derived from the sale of products of state forests to the fiscally constrained county or counties in which the state forest is located. The distribution of funds is proportionately allocated according to the acreage of the state forest located within each county. The distributed funds are to be used by the counties for school purposes. However, the funds distributed to counties from the sale of products from the Withlacoochee State Forest and Goethe State Forest are equally divided between the school board and the board of county commissioners of each county.

III. Effect of Proposed Changes:

Section 1 amends s. 20.14, F.S., to remove reference to the Dairy Industry as a separate division within the Department of Agriculture and Consumer Services.

Section 2 amends s. 570.29, F.S., to remove reference to the Dairy Industry as a separate division within the Department of Agriculture and Consumer Services and adds the Division of Licensing to the departmental divisions.

Section 3 repeals s. 570.40, F.S., relating to the powers and duties of the Division of Dairy Industry.

Section 4 repeals s 570.41, F.S., relating to the duties of the director of the Division of Dairy Industry.

Section 5 amends s.570.50., F.S., to add the inspection of dairy farms, milk plants, and milk product plants and other specified functions to the duties of the Division of Food Safety.

Section 6 reenacts s. 570.18, F.S., relating to the organization of the Department of Agriculture and Consumer Services.

Section 7 amends s. 570.531, F.S., to provide that funds in the Market Improvements Working Capital Trust Fund may be made available for marketing activities associated with Florida agricultural products, including activities related to domestic and international marketing strategies. This section deletes provisions limiting the use of the trust fund revenues to certain costs associated with agricultural marketing facilities.

Section 8 amends s. 589.08, F.S., to eliminate distribution to fiscally constrained counties of receipts from transactions relating to state forests. Revenues to the Incidental Trust Fund within the department will increase by \$400,000 annually based on estimated distributions in the 2009-2010 fiscal year. As a result, this amount will be retained within the Division of Forestry to be used to fund other expenditures and reduce the need for general revenue in the same amount.

Section 9 repeals s. 589.01, F.S., to eliminate the 15 percent distribution of gross receipts from Withlatchoochee State Forest and Goethe State Forest to the fiscally constrained counties.

Section 10 provides that the bill shall take effect on July 1, 2010.

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:**Division of Dairy Industry**

This bill consolidates the Division of Dairy Industry into the Division of Food Safety within the Department of Agriculture. This consolidation provides a cost savings in recurring general revenue of \$239,496.

Market Improvements Working Capital Trust Fund

The bill expands the use of the trust fund to enable the department to fund additional marketing programs. Funds may be made available for marketing activities associated with Florida agricultural products, including activities related to domestic and international marketing strategies. The implementation of this bill provides a recurring general revenue savings of \$96,137.

State Forests

The Division of Forestry estimates that, for Fiscal Year 2010-2011, the division will realize \$400,000 in additional revenue in the Incidental Trust Fund due to the revision of forestry receipt distributions to fiscally constrained counties. Fiscally constrained counties will no longer receive an estimated \$400,000 from the distribution of 15 percent of the gross receipts from state forests. The implementation of this bill allows a savings of \$400,000 from the General Revenue 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 General Government Appropriations Committee on March 19, 2010:

This committee substitute:

- Removes statutory references to the Dairy Industry as a separate division within the Department of Agriculture and Consumer Services.
- Adds the Division of Licensing to the departmental divisions.
- Repeals s. 570.40, F.S., relating to the powers and duties of the Division of Dairy Industry.
- Repeals s 570.41, F.S., relating to the duties of the director of the Division of Dairy Industry.
- Adds the inspection of dairy farms, milk plants, and milk product plants and other specified functions to the duties of the Division of Food Safety.
- Reenacts s. 570.18, F.S., relating to the organization of the Department of Agriculture and Consumer Services.
- Provides that funds in the Market Improvements Working Capital Trust Fund may be made available for marketing activities associated with Florida agricultural products, including activities related to domestic and international marketing strategies.
- Eliminates the distribution to fiscally constrained counties of receipts from transactions relating to state forests. Annual revenues to the Incidental Trust Fund within the department will increase by an estimated \$400,000. This amount will be retained within the Division of Forestry to be used to fund other expenditures and reduce the need for general revenue funding in the same amount.
- Eliminates the 15 percent distribution of gross receipts from Withlatchoochee State Forest and Goethe State Forest to the fiscally constrained counties.
- Provides an effective date of July 1, 2010.

- B. **Amendments:**

None.