

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 Committee on Rules

BILL: CS/SB 1002

INTRODUCER: Community Affairs Committee and Senator Burgess

SUBJECT: Florida Citrus

DATE: February 8, 2022

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Fink</u>	<u>Becker</u>	<u>AG</u>	Favorable
2.	<u>Hackett</u>	<u>Ryon</u>	<u>CA</u>	Fav/CS
3.	<u>Fink</u>	<u>Phelps</u>	<u>RC</u>	Pre-meeting

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 1002 creates the "Citrus Recovery Act." Specifically, the bill:

- Increases the membership of the Florida Citrus Commission (commission) from nine members to eleven;
- Increases the number of citrus districts from three to six and revises the counties that comprise each district;
- Requires certain entities to provide reports on citrus production research to the commission at specified intervals and upon request of the commission;
- Requires that new varieties of citrus fruit and certain technology produced from research or studies funded by state funds be made exclusively available for licensing and purchase to certain Florida producers for a specified timeframe;
- Requires producers who receive such exclusivity to retain the exclusivity for a specified timeframe and providing pricing requirements for such arrangements; and
- Requires moneys in the Florida Citrus Advertising Trust Fund to be expended for the activities authorized by s. 601.13, F.S.

II. Present Situation:

The Florida Citrus Commission acts as the head of the Department of Citrus. The commission is composed of nine representatives of the citrus industry who are citizens of the state and have at

least five years of experience as citrus growers, packers or processors.¹ Additionally, during the five years immediately prior to appointment, each member must have derived a major portion of his/her income from activities listed above or been the owner of, member of, officer of, or paid employee of a corporation, firm, or partnership which has derived the major portion of its income from the growing, growing and shipping, or growing and processing of citrus fruit.

Members of the commission are appointed by the governor for three year terms.² Appointments are made by February 1 preceding the commencement of the term and must be confirmed by the Senate in the following legislative session. Four members are appointed each year. Members serve until their respective successors are appointed and qualified. The regular terms begin on June 1 and end on May 31 of the third year after appointment. Effective July 1, 2011, the terms of all members of the commission appointed on or before May 1, 2011, were terminated and the Governor appointed members in accordance with the provisions of chapter 601, F.S.

When appointments are made, the Governor publicly announces the actual classification and district that each appointee represents. A majority of the members of the commission constitutes a quorum for the transaction of business and for carrying out the duties of the commission. Prior to beginning their duties as members of the commission, each member must take and subscribe to the oath of office as prescribed in s. 5, Art. 11 of the State Constitution.

The commission must elect a chair and vice chair and such other officers as it deems necessary.³ The chair, with the concurrence of the commission, may appoint such advisory committees or councils composed of industry representatives as he/she deems appropriate. In appointing such committees or councils, the chair must set forth areas of committee or council concern that are consistent with the statutory powers and duties of the commission and the department.

Current law provides legislative intent that the commission be redistricted every five years. Redistricting is based on the total boxes produced from each of the three districts during that five-year period. Under current law, Citrus District One is composed of Levy, Alachua, Brevard, Putnam, St. Johns, St. Lucie, Flagler, Indian River, Marion, Seminole, Orange, Okeechobee, Polk, Volusia, and Osceola Counties.⁴ Citrus District Two is composed of Hardee, DeSoto, Highlands, and Glades Counties.⁵ Finally, Citrus District Three is composed of Charlotte, Citrus, Collier, Hernando, Hendry, Hillsborough, Lake, Lee, Manatee, Monroe, Martin, Pasco, Palm Beach, Pinellas, Sarasota, Sumter, Broward, and Miami-Dade Counties.⁶

III. Effect of Proposed Changes:

Section 1 titles this Act the "Citrus Recovery Act".

Section 2 amends s. 601.04, F.S., to revise the qualifications and terms of members of the

¹ Fla. Stat. Ann. § 601.04(1)(a)

² Fla. Stat. Ann. § 601.04(2)(b)

³ Fla. Stat. Ann. § 601.04(3)(a)

⁴ Fla. Stat. Ann. § 601.09(1)(a)

⁵ Fla. Stat. Ann. § 601.09(1)(b)

⁶ Fla. Stat. Ann. § 601.09(1)(c)

Florida Citrus Commission (commission). It provides that the commission shall be composed of eleven members, an increase from nine, who are appointed by the Governor. These members must be a resident of this state, rather than a citizen, as previously required.

The bill increases from six to seven the number of members that shall be classified as grower members. These grower members may not be disqualified as a member if, individually, or as the owner of, a member of, an officer of, or a stockholder of a corporation, firm, or partnership primarily engaged in citrus growing which processes, packs, and markets its own fruit and whose business is primarily not purchasing and handling fruit grown by others.

One grower member shall be appointed from each of the citrus districts designated in s. 601.09, F.S. Current law provides that a member must reside in the district from which they were appointed, whereas the bill specifies that a member must reside or grow citrus in the district. One additional grower member shall be a grower with a citrus producing area of more than 5,001 acres who resides and grows citrus in the state.

The bill requires that three members of the commission shall be classified as processor members instead of grower-handler members. These three members shall be engaged as owners, or as paid officers or employees, of a corporation, firm, partnership, or other business unit engaged in canning, concentrating, or otherwise processing citrus fruit for market other than for shipment in fresh fruit form.

The bill requires that one member shall be classified as a packer member and shall be engaged as an owner, or as a paid officer or employee, of a corporation, firm, partnership, or other business unit that operates as a packinghouse as defined in s. 601.03, F.S. The member shall reside in the Indian River production area as defined in s. 601.091, F.S.

Members shall be appointed to terms of 3 years each, except that, to establish staggered terms of members from each citrus district, the terms of members appointed before July 1, 2022, shall be as follows:

- The terms of two grower members and one packer member shall expire June 30, 2022, and their successors shall be appointed to terms beginning July 1, 2022, and expiring May 31, 2025.
- The terms of two grower members and one processor members shall expire June 30, 2023, and their successors shall be appointed to terms beginning July 1, 2023, and expiring May 31, 2026.
- The terms of two grower members and one processor member shall expire June 30, 2024, and their successors shall be appointed to terms beginning July 1, 2024, and ending May 31, 2027.
- One grower member and one processor member shall be appointed on or after July 1, 2022, with terms ending May 31, 2025.

Section 3 increases the number of Citrus districts from three to six as follows:

- Citrus District One: Collier, Hendry, and Lee Counties.
- Citrus District Two: Charlotte and Desoto Counties.
- Citrus District Three: Glades, Highlands, and Okeechobee Counties.

- Citrus District Four: Hardee, Hillsborough, Manatee, Pinellas, and Sarasota Counties.
- Citrus District Five: Citrus, Hernando, Levy, Osceola, Pasco, Polk, and Sumter Counties.
- Citrus District Six: Alachua, Brevard, Broward, Flagler, Indian River, Lake, Marion, Martin, Miami-Dade, Monroe, Orange, Palm Beach, Putnam, St. Johns, Seminole, St. Lucie, and Volusia Counties.

Section 4 adds requirements relating to citrus research administered by the Department of Citrus (department).

It requires that an entity that solicits research proposals and awards funding for those proposals, expending State Treasury funds on citrus production research conducted pursuant to ch. 573, F.S., as recommended by the Citrus Research and Development Foundation, Inc., or conducted through contract with the department shall deliver a report that includes all of the following information to the commission biannually and at the request of the commission:

- Project plans selected for funding;
- The financial status of the projects;
- Current findings of the funded research;
- Availability of citrus products or application of growers' practices found through funded research; and
- The status of the commercialization process of such products or practices.

It also requires that before being released for sale to the general public, any new variety of citrus fruit and any technology that enhances marketability of new or current citrus varieties which is developed as a result of any research or study accomplished using funds from the State Treasury must be made available:

- For licensing and purchase for a period of 90 days exclusively to any Florida not-for-profit corporation that is a producer engaged, excluding engagement in agricultural commodities other than citrus, in citrus rootstock or scion breeding, research, or licensing, by agreement with a state land grant university, the department, the Department of Agriculture and Consumer Services, or the United States Department of Agriculture. If a producer exercises such exclusive availability, the producer must retain the exclusivity for 8 years after the date of execution.
- At the 5-year rolling average cost of citrus bud or grafting material available to Florida producers, including a development incentive that does not exceed 10 percent of the 5-year average.

Section 5 amends s. 601.992, F.S., to provide that the Department of either Citrus or Agriculture may collect or compel regulated entities to collect dues, contributions, or other payment upon request by, and on behalf of, any not-for-profit corporation, if such non-profit is engaged in market news and grower education solely for citrus growers and has at least 2,500, rather than 5,000 as provided in current law, members engaged in growing citrus.

Section 6 reenacts s. 600.051(1), F.S., which grants the department the power to enter into, administer, and enforce marketing agreements with handlers and distributors engaged in any one or more of the citrus districts established in and by s. 601.09, F.S.

Section 7 reenacts s. 601.15(7)(b), F.S., to require moneys in the Florida Citrus Advertising Trust Fund to be expended for the activities authorized by s. 601.13, F.S. and for the cost of those general overhead, research and development, maintenance, salaries, professional fees, enforcement costs, and other such expenses that are not related to advertising, merchandising, public relations, trade luncheons, publicity, and other associated activities. The cost of general overhead, maintenance, salaries, professional fees, enforcement costs, and other such expenses that are related to advertising, merchandising, public relations, trade luncheons, publicity, and associated activities shall be paid from the balance of the Florida Citrus Advertising Trust Fund.

Section 8 provides an effective date of July 1, 2022.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None identified.

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. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 601.04, 601.09, 601.10, 601.13, and 601.992.

This bill reenacts the following sections of the Florida Statutes: 600.051(1), 601.15(7)(b).

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Community Affairs on February 2, 2022:

The CS:

- Removes the provision that each grower member of the Florida Citrus Commission must be a grower with a citrus producing area between 250 and 5,000 acres.
- Alters the schedule of commissioner appointments and terms.
- Alters the provision regarding exclusivity for new varieties of citrus developed using state funds, providing that such fruit must be made available as a first option for licensing exclusively to the Florida Department of Citrus or its designee.

B. Amendments:

None.