

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 Appropriations Subcommittee on Agriculture, Environment, and General Government

BILL: SB 864

INTRODUCER: Senator Ausley

SUBJECT: Cost-share Program for Agriculture, Shellfish Aquaculture, and Timber Operations

DATE: February 21, 2022

REVISED: _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|-----------------|----------------|------------|--------------------|
| 1. | <u>Fink</u> | <u>Becker</u> | <u>AG</u> | <u>Favorable</u> |
| 2. | <u>Blizzard</u> | <u>Betta</u> | <u>AEG</u> | <u>Pre-meeting</u> |
| 3. | _____ | _____ | <u>AP</u> | _____ |

I. Summary:

SB 864 creates a cost-share program for agriculture, shellfish aquaculture, and timber operations within the Department of Agriculture and Consumer Services (department). Furthermore, it requires the department (in consultation with the Florida Sea Grant program, the University of Florida Institute of Food and Agricultural Sciences, the University of Florida Shellfish Aquaculture Research and Extension Program, the Wakulla Environmental Institute, and the Florida Agricultural and Mechanical University College of Agriculture and Food Sciences) to:

- Conduct a study to determine the value of environmental services, such as water recharge, stormwater filtration, wildlife habitat, carbon sequestration, nutrient remediation, coastal resilience and flood protection, and air quality benefits provided by the agriculture, shellfish aquaculture, and timber industries;
- Promote the cost-share program, with priority going to low-income communities, historically under resourced communities of color, and rural communities impacted by Hurricane Michael in 2018;
- Update all relevant brochures, websites, and marketing materials to provide information on participation in the cost share program; and
- Adopt rules to implement the provisions in the bill.

The bill creates a cost-share program that is subject to appropriation. Currently, the bill does not include an appropriation for the program.

The fiscal impact of the bill is estimated to be \$450,000 in nonrecurring general revenue for the department to conduct the required environmental services valuation study for agriculture, shellfish aquaculture, and timber operations.

The bill takes effect July 1, 2022.

II. Present Situation:

Collectively, the agriculture, natural resources, and food industries are significant contributors to the economy of the state of Florida, so maintaining healthy and sustainable agricultural and timber industries is vital. Florida has 17.16 million acres (26,807 square miles) of forestland, representing 50 percent of the state's total land area, with nearly two-thirds of forestlands privately owned. In 2016, the forest industry sectors directly employed 36,055 persons (full-time and part-time jobs) and collected \$12.55 billion in industry revenues.¹

In 2017, Florida had 47,000 commercial farms, using a total of 9.45 million acres. Florida ranked first in the United States in value of production of cucumbers, grapefruit, oranges, squash, sugarcane, fresh market snap beans, and fresh market tomatoes. The state ranked second in value of production of bell peppers, strawberries, watermelons, fresh market cabbage, and fresh market sweet corn. Florida also ranked fourth nationally in the value of production of peanuts. Florida ranks 18th among all states in number of farms and 29th in land in farms. Farm cash receipts from marketing agricultural products in 2017 amounted to \$7.467 billion, a decrease of \$290 million from 2016. Nationally, Florida ranks fourth in the value of vegetable and melon cash receipts at \$1.194 billion, 11th in crop cash receipts with a value of \$6.08 billion, and 18th in total cash receipts.²

Shellfish can help restore ocean health. They are efficient water filterers and natural buffers for coastal communities. An adult oyster can filter up to 50 gallons of water daily, removing excess nutrients and other pollutants in coastal waters, often caused by runoff. The University of Florida Institute of Food and Agricultural Sciences and the Florida Sea Grant program are already working to quantify the environmental benefits of shellfish aquaculture, so that shellfish growers can be compensated for the benefit they provide.³

The federal farm bill currently provides some similar programs for farmers and landowners, which encourage and incentivize environmental stewardship. Programs like the Environmental Quality Incentive Program provide technical and financial assistance to agricultural producers and ranchers who voluntarily install or implement structural and management practices on eligible agricultural land to protect soil, water, air quality, and/or wildlife habitat.⁴

III. Effect of Proposed Changes:

The bill creates s. 570.891, F.S., to create the act cited as the "Protecting Florida's Natural Resources Act."

¹ University of Florida Institute of Food and Agricultural Sciences, "Economic Contributions of the Forest Industry and Forest-based Recreation in Florida in 2016," available at https://edis.ifas.ufl.edu/publication/FE1051#FOOTNOTE_1 (last visited Jan. 26, 2022).

² Florida Department of Agriculture and Consumer Services, "Florida Agriculture Overview and Statistics," available at <https://www.fdaacs.gov/Agriculture-Industry/Florida-Agriculture-Overview-and-Statistics> (last visited Jan. 26, 2022).

³ Lourdes Mederos, "UF/IFAS Boosting Florida's shellfish aquaculture industry, water quality initiatives", South Dade Newsleader (Nov. 3, 2021), http://www.southdadenewsleader.com/news/uf-ifas-boosting-floridas-shellfish-aquaculture-industry-water-quality-initiatives/article_a35ee2d2-4ba5-11ec-80a6-676e251c69ab.html (last visited Jan. 26, 2022).

⁴ University of Florida Institute of Food and Agricultural Sciences, "Cost Share Programs for Florida's Agricultural Producers and Landowners," available at <https://edis.ifas.ufl.edu/publication/SS485> (last visited Jan. 26, 2022).

The bill establishes the following legislative findings:

- Maintaining healthy and sustainable agriculture, shellfish aquaculture, and timber industries is vital to this state's economy, environment, and natural resources, including making significant environmental contributions to water quality and quantity, air purification, carbon sequestration, coastal resilience, and habitat for threatened and endangered wildlife species;
- The continued expansion of urban and coastal areas has increased pressure on the agriculture and timber industries, and in recent years there has been a significant decrease in agricultural and timber acreage;
- Water quality and quantity problems in this state's coastal waters have harmed the aquaculture industry, specifically shellfish farming. Filter feeder shellfish, such as oysters, hard clams, and sunray venus clams, are beneficial to this state's imperiled seagrass; and
- To ensure healthy and sustainable agriculture, shellfish aquaculture, and timber industries, a cost-share program is necessary to provide incentives to the owners within these industries to continue activities that are beneficial to water quality and quantity, air purification, carbon sequestration, nutrient remediation, coastal resilience, and habitat for threatened and endangered wildlife species.

The bill also establishes a cost share program within the department which shall reimburse the owners of agriculture, shellfish aquaculture, and timber operations for up to 75 percent of the value of the environmental resources and services provided by such industries.

Additionally, the bill requires the department to:

- Conduct a study, in consultation with the Florida Sea Grant program and the University of Florida Institute of Food and Agricultural Sciences to determine the value of environmental services, such as water recharge, stormwater filtration, wildlife habitat, carbon sequestration, nutrient remediation, coastal resilience and flood protection, and air quality benefits, provided by the agriculture, shellfish aquaculture, and timber industries;
- Promote the cost-share program, in cooperation with University of Florida Shellfish Aquaculture Research and Extension Program, the Wakulla Environmental Institute, and the Florida Agricultural and Mechanical University College of Agriculture and Food Sciences, and prioritize distribution of assistance to low-income communities, historically under resourced communities of color, and rural communities impacted by Hurricane Michael in 2018;
- Update all relevant brochures, websites, and marketing materials to provide information on participation in the cost share program; and
- Adopt rules to implement the provisions in the bill.

The bill takes effect 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.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

Indeterminate.

C. Government Sector Impact:

The bill creates a cost-share program subject to legislative appropriation. Currently, the bill does not include an appropriation for the cost-share program. The department estimates that \$450,000 in nonrecurring general revenue will be necessary to conduct the environmental services valuation study required by the bill.

However, if funds are appropriated for the cost-share program, the department estimates additional resources will be necessary for the administration of the program. The cost for three additional positions is estimated to total \$245,025 in recurring general revenue funding.⁵

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

⁵ Department of Agriculture and Consumer Services, *Senate Bill 864 Bill Analysis* (Dec. 7, 2021) (on file with Appropriations Subcommittee on Agriculture, Environment, and General Government).

VIII. Statutes Affected:

This bill creates section 570.891 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

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

None.

B. Amendments:

None.

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