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 Agriculture						
BILL:	SB 1276					
INTRODUCER:	Senator Albritton					
SUBJECT:	Department of Citrus					
DATE:	January 8, 2020 REVISED:					
ANALYST		STAFF DIRECTOR		REFERENCE	ACTION	
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I. Summary:

SB 1276 establishes the Friends of Florida Citrus Program within the Department of Citrus (department). It provides for the powers and duties of the program and requires any funds received to be deposited into the Florida Citrus Advertising Trust Fund. It also creates the Friends of Florida Citrus Advisory Council which is to advise and provide recommendations to the Florida Citrus Commission regarding the use of any funds received for the Friends of Florida Citrus Program.

The bill authorizes the Department of Citrus to loan department employees to or to share department employees with specified state and federal entities and to enter into agreements with such entities. The bill also deletes provisions setting out the required work schedule and staffing of the department.

II. Present Situation:

Florida Department of Citrus

The Florida Department of Citrus (department) is an executive agency of Florida government charged with the marketing, research, and regulation of the Florida citrus industry. Its activities are funded by an assessment paid by growers on each box of citrus that moves through commercial channels. The industry employs more than 45,000 people, provides an annual economic impact of \$8.6 billion to the state, and contributes hundreds of millions of dollars in tax revenues that help support Florida's schools, roads and health care services. The department also has extensive regulatory responsibilities, covering every aspect of the industry, including

research, production, maturity standards, licensing, transportation, labeling, packing and processing.¹

The Florida Citrus Commission

The Florida Citrus Commission governs the Department of Citrus.² The commission is a ninemember board appointed by the governor to represent citrus growers, processors, and packers. The department carries out commission policy and acts as the commission's staff by conducting a wide variety of programs involving regulation, scientific, market, and economic research, advertising, merchandising, public and industry relations, and consumer promotions.³

Advisory Committees

Advisory committees serve a public purpose by providing the department with information and expertise on a number of issues important to the citrus industry, such as identifying and prioritizing citrus harvesting problems and evaluating proposals for conducting research on the nutritional benefits of citrus products. Department funding support for these committees comes from excise taxes paid by Florida citrus growers on each box of citrus moved through commercial channels.⁴

The Florida Citrus Commission currently has the following five advisory councils/committees:

- Fruit Classification & Standards Committee
- Gift Fruit Advisory Council
- Processing Statistics Reporting Advisory Committee
- Scientific Research Advisory Committee
- State Test House Advisory Council

Marketing Orders

Marketing agreements and orders are initiated by industry to help provide stable markets for dairy products and twenty-one types of fruits, vegetables, and specialty crops. Each order and agreement is tailored to the individual industry's needs. Marketing Orders are a binding regulation for the entire industry in the specified geographical area, once it is approved by the producers and the Secretary of Agriculture. Marketing Agreements are only binding for those handlers that sign the agreement.

Fruit, vegetable, and specialty crop marketing orders and agreements help producers and handlers work together to solve marketing problems that they cannot solve individually by (1) maintaining the high quality of produce that is on the market; (2) standardizing packages and containers; (3) regulating the flow of product to market; (4) establishing reserve programs for

¹ Florida Department of Citrus, *See* <u>https://www.floridacitrus.org/grower/about/florida-department-of-citrus</u> (Last visited January 8, 2020).

² See generally s. 601.04, F.S.

³ Florida Citrus Commission, *See <u>https://www.floridacitrus.org/grower/about/florida-citrus-commissiion/</u> (Last visited January 8, 2020).*

⁴ Office of Program Policy Analysis and Government Accountability, "Florida Department of Citrus Advisory Committees," September 6, 2007, *See <u>http://www.oppaga.state.fl.us/reports/pdf/07-S09.pdf</u> (Last visited January 8, 2020).*

storable commodities; and (5) authorizing production research, marketing research and development, and advertising.⁵ Provisions in this bill will help the department accommodate the federal Marketing Order process.

III. Effect of Proposed Changes:

Section 1 creates s. 601.041, F.S., to establish the Friends of Florida Citrus Program within the Department of Citrus (department). Its purpose is to support and assist existing and future programs within the department. Through the program, the department shall:

- Conduct programs and activities related to the protection and enhancement of the quality and reputation of Florida citrus fruit and the canned and concentrated products that are sold in domestic and foreign markets;
- Identify and pursue methods to provide resources and materials for the program; and
- Research methods to integrate the resources and materials that have been identified.

The bill authorizes the department to receive donations from private corporations to support the program. Donations must be deposited into the Florida Citrus Advertising Trust Fund.

The bill establishes The Friends of Florida Citrus Advisory Council to advise and provide recommendations to the Florida Citrus (commission) regarding the use of any funds received for the Friends of Florida Citrus Program. The council shall consist of the following members, appointed by the chair of the commission annually upon the concurrence of the commission:

- One member of the commission;
- One member recommended by a consortium of citrus processors in Florida;
- One member recommended by the statewide voluntary Florida citrus growers association with the highest membership; and
- Two at-large members, at the discretion of the commission.

Section 2 amends s. 601.10, F.S., to authorize the department to loan department employees to or to share department employees with other state and federal agencies, state universities, or the Department of Agriculture and Consumer Services or its direct support organizations or for marketing orders adopted under the authority of the United States Secretary of Agriculture. The bill authorizes the department to enter into agreements with such entity or entities under terms and conditions that will benefit the state, if the agency or entity with which the employee is loaned or shared reimburses the state for all pay and benefits of the employee, not including a service fee for administration. If the entity directly pays the loaned or shared employee his or her salary and benefits, if applicable, an agreement with the department is not necessary and the employee may work part-time with the department under terms and conditions mutually agreed to between the department and the employee. All arrangements and agreements are subject to approval by the department.

The bill deletes provisions setting out the required work schedule and staffing of the department.

Section 3 provides that this act shall take effect July 1, 2020.

⁵ United States Department of Agriculture, Agricultural Marketing Service, *See <u>https://ams.usda.gov/rules-regulations/moa</u> (Last visited January 8, 2020).*

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:

Indeterminate.

C. Government Sector Impact:

Indeterminate.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill amends section 601.10 of the Florida Statutes. This bill creates section 601.041 of the Florida Statutes.

IX. **Additional Information:**

Committee Substitute – Statement of Changes: (Summarizing differences between the Committee Substitute and the prior version of the bill.) Α.

None.

Β. Amendments:

None.

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