

**STORAGE NAME:** h3479s1.gg

**DATE:** April 17, 1998

**HOUSE OF REPRESENTATIVES  
AS FURTHER REVISED BY THE COMMITTEE ON  
GENERAL GOVERNMENT APPROPRIATIONS  
BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

**BILL #:** CS/HB 3479

**RELATING TO:** Agricultural Emergencies

**SPONSOR(S):** The Committee on General Government Appropriations and Representative Bronson

**COMPANION BILL(S):** CS/SB 1088 (c), SB 1010 (c), CS/HB 1847 (c), and HB 4701 (c)

**ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:**

- (1) AGRICULTURE YEAS 4 NAYS 2
  - (2) TRANSPORTATION YEAS 8 NAYS 0
  - (3) TRANSPORTATION & ECONOMIC DEVELOPMENT APPROPRIATIONS (W/D)
  - (4) GENERAL GOVERNMENT APPROPRIATIONS YEAS 10 NAYS 0
  - (5)
- 

**I. SUMMARY:**

This bill provides funding sources for the Agriculture Emergency Eradication Trust Fund (AEETF) to be established by adoption of a separate bill. The AEETF will provide funding in defined agricultural emergencies, such as unanticipated disease, insect infestation, or plant or pest endangering or threatening the horticultural, aquacultural, or agricultural interests in the state.

This bill would have a positive fiscal impact of approximately \$10.1 million for the Agriculture Emergency Eradication Trust Fund for FY 1998-99. These funds would be derived from the following sources: approximately \$6.1 million from motor fuel tax revenues, and \$4.0 million from the General Revenue Fund.

The bill also provides for future annual appropriations from General Revenue Fund to the AEETF.

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

When funds specifically appropriated for an agricultural emergency are exhausted or insufficient, the Department of Agriculture and Consumer Services (DACS) must take money from other programs to fund the emergency. There has been a recent outbreak of citrus canker and a medfly infestation, and the DACS has spent approximately \$27 million on these two emergencies. Approximately \$2.9 million came from General Revenue; \$9.9 million came from the Working Capital Fund (Rainy Day Fund); \$1.2 million came from the Citrus Inspection Trust Fund, which the federal government now says must be paid back; \$10.2 million came from the Plant Industry Trust Fund; and, \$2.7 million came from the Contracts and Grants Trust Fund. Approximately \$11.5 million of these appropriations are from the \$17 million citrus canker lawsuit settlement with the USDA.

Presently the proceeds of the state fuel taxes, municipal fuel tax and local option fuel tax, less the applicable service charges, refunds, and administrative costs, are transferred into either the Revenue Sharing Trust Fund for Municipalities; the Fuel Tax Collection Trust Fund; the Local Option Fuel Tax Trust Fund; or, the State Transportation Trust Fund (STTF). Some of these funds are also diverted to the Department of Environmental Protection, the State Game Trust Fund, and the Board of Regents.

The remaining local fuel tax revenues are then distributed by the Department of Revenue to the county and eligible municipal governments within the county in which the tax was collected. The local governments use these funds to meet transportation infrastructure requirements, including infrastructure needed to meet concurrency requirements of local comprehensive plans.

The Department of Transportation (DOT) administers the STTF, which is the primary source of funds for the state's highway, transit, airport and seaport projects. These funds are programmed by DOT in its 5-year work program of transportation system improvement projects. Currently, there is a backlog of unfunded transportation needs that is estimated at \$22 billion over the next 12 years.

B. EFFECT OF PROPOSED CHANGES:

This bill transfers fuel tax revenues currently used for transportation improvements to DACS for agricultural emergencies. The bill requires 0.65 percent of the State Comprehensive Enhanced Transportation System Tax to be transferred annually into the Agricultural Emergency Eradication Trust Fund (AEETF) instead of the STTF. This annual loss of transportation revenues will decrease the number of transportation improvements that can be undertaken by the DOT. However, if the unobligated balance of the AEETF exceeds \$20 million, the transfers shall be discontinued until the unobligated balance of the AEETF falls below \$10 million, at which time such transfers shall be reinstated to return the balance to \$20 million.

An appropriation of \$4 million from the General Revenue Fund would also be deposited into the AEETF for FY 1998-1999. In FY 1999-2000, and each year thereafter, there would be appropriated from the General Revenue Fund to the AEETF an amount equal

to the previous year's transfers into the trust fund from sections 206.606, and 206.608, F.S.

The act shall take effect July 1, 1998, contingent upon passage of CS/CS HB 1847 or similar legislation creating the AEETF during the 1998 Legislative Session.

**C. APPLICATION OF PRINCIPLES:**

**1. Less Government:**

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

No.

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

No.

(3) any entitlement to a government service or benefit?

No.

b. If an agency or program is eliminated or reduced: **Not applicable.**

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

(2) what is the cost of such responsibility at the new level/agency?

(3) how is the new agency accountable to the people governed?

**2. Lower Taxes:**

a. Does the bill increase anyone's taxes?

No.

b. Does the bill require or authorize an increase in any fees?

No.

- c. Does the bill reduce total taxes, both rates and revenues?

No.

- d. Does the bill reduce total fees, both rates and revenues?

No.

- e. Does the bill authorize any fee or tax increase by any local government?

No.

3. Personal Responsibility:

- a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

N/A

- b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

No.

4. Individual Freedom: **Not applicable.**

- a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

- b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

5. Family Empowerment: **Not applicable.**

- a. If the bill purports to provide services to families or children:

(1) Who evaluates the family's needs?

(2) Who makes the decisions?

(3) Are private alternatives permitted?

(4) Are families required to participate in a program?

(5) Are families penalized for not participating in a program?

b. Does the bill directly affect the legal rights and obligations between family members?

c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

(1) parents and guardians?

(2) service providers?

(3) government employees/agencies?

**D. STATUTE(S) AFFECTED:**

Amends sections 206.606, and 206.608, F.S.  
Creates section 206.609, F.S.

**E. SECTION-BY-SECTION RESEARCH:**

See Effect of Proposed Changes section.

**III. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:**

**A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:**

**1. Non-recurring Effects:**

None.

**2. Recurring Effects:**

<b><u>Revenues:</u></b>	<b><u>1998-99</u></b>	<b><u>1999-00</u></b>	<b><u>2000-01</u></b>
AEETF			
Transfer from Motor Fuel Taxes	\$ 6.1M	\$ 6.1M	\$ 6.1M
Transfer from GR	<u>\$ 4.0M</u>	<u>\$ 6.1M</u>	<u>\$ 6.1M</u>
TOTAL	\$10.1M	\$12.2M	\$12.2M

**Expenditures:**

This bill does not provide for how the revenues will be spent except that they shall be spent for a certified agriculture emergency.

3. Long Run Effects Other Than Normal Growth:

None.

4. Total Revenues and Expenditures:

See A.1. and 2. above.

**B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:**

1. Non-recurring Effects:

None.

2. Recurring Effects:

None.

3. Long Run Effects Other Than Normal Growth:

None.

**C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:**

1. Direct Private Sector Costs:

To the extent that diversion of fuel tax revenues prevents the state from meeting transportation infrastructure needs, the bill could have impacts on citizens, businesses, and visitors that use Florida's transportation system.

2. Direct Private Sector Benefits:

There is substantial economic benefit to the agriculture industry from eradicating exotic pests and diseases impacting Florida crops and livestock, and keeping open national and international markets for Florida agricultural products.

3. Effects on Competition, Private Enterprise and Employment Markets:

The DACS' eradication efforts assist in preventing the quarantine and embargo of products and livestock under federal and international laws, which could result in a curtailment of access to the national and international marketing channels.

**D. FISCAL COMMENTS:**

The bill has language that requires future annual appropriations from General Revenue Fund to the AEETF.

**IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:**

**A. APPLICABILITY OF THE MANDATES PROVISION:**

This bill does not require counties or municipalities to spend funds or take actions requiring expenditure of funds.

**B. REDUCTION OF REVENUE RAISING AUTHORITY:**

This bill does not reduce the revenue raising authority of any county or municipality.

**C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:**

This bill does not reduce the percentage of a state tax shared with cities and counties.

**V. COMMENTS:**

None.

**VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:**

The Committee on Transportation considered this bill on March 30, 1998, and adopted an amendment which substantially rewrote the bill. This amendment eliminated the percentage transferred from fuel tax revenues to the AEETF and the new \$5 fee on plane and vessel landings. Instead it authorized the Administrative Commission to approve transfers of moneys by the Comptroller from the Working Capital Fund to the AEETF when the Agriculture Commissioner declares an emergency. The amendment provided a process for establishing budget authority for the Department of Agriculture and Consumer Affairs to spend AEETF funds on agricultural emergencies.

The Committee on General Government Appropriations considered this bill on April 14, 1998, and adopted a "strike everything" amendment which substantially rewrote the bill as originally filed and eliminated amendatory language adopted by the Committee on Transportation. The amendment was incorporated into HB 3479 to create CS/HB 3479.

The amendment eliminated the \$5 fee on plane and vessel landings and changed the appropriation from the General Revenue Fund from \$6.0 million to \$4.0 million. It also changed the percentage of the State Comprehensive Enhanced Transportation System Tax to be transferred annually into the AEETF from 0.41 percent to 0.65 percent.

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VII. SIGNATURES:

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