

**STORAGE NAME:** h2119.ag  
**DATE:** April 3, 2000

**HOUSE OF REPRESENTATIVES  
COMMITTEE ON  
AGRICULTURE  
ANALYSIS**

**BILL #:** HB 2119  
**RELATING TO:** Ad Valorem Taxation/Pollution Control  
**SPONSOR(S):** Representative Stansel and others  
**TIED BILL(S):**

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

- (1) AGRICULTURE
  - (2) FINANCE & TAXATION
  - (3) GENERAL GOVERNMENT APPROPRIATIONS
  - (4)
  - (5)
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I. SUMMARY:

Section 193.621, F.S., provides special provisions for ad valorem taxation assessment of pollution control devices. HB 2119 expands the definition of "facility" to include compost or litter facilities used in connection with poultry or dairy operations. Used as a means of nitrate abatement, mainly in the Suwannee River area, such facilities are constructed by poultry and dairy farmers as part of a cooperative effort among the Florida Department of Environmental Protection, the federal Natural Resource Conservation Service, and landowners.

HB 2119 has been submitted, but not yet analyzed by the Revenue Impact Conference.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- |                                   |   |  |   |
|-----------------------------------|---|--|---|
| 1. <u>Less Government</u>         | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/>            | N/A <input type="checkbox"/>            |
| 2. <u>Lower Taxes</u>             | Yes <input type="checkbox"/>            | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/>            |
| 3. <u>Individual Freedom</u>      | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/>            | N/A <input type="checkbox"/>            |
| 4. <u>Personal Responsibility</u> | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/>            | N/A <input type="checkbox"/>            |
| 5. <u>Family Empowerment</u>      | Yes <input type="checkbox"/>            | No <input type="checkbox"/>            | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

Lower taxes -- Implementation of this legislation will not actually lower taxes; however, it will keep a dairy or poultry farmer's ad valorem taxes from increasing when these facilities are constructed and become improvements to real property.

B. PRESENT SITUATION:

According to the Department of Revenue, pollution control devices are to be assessed at no greater than market value as salvage. Regarding pollution control, "facility" or "facilities" include any device, fixture, equipment, or machinery used primarily for control or abatement of pollution or contaminants from manufacturing or installation operations.

The Florida Department of Environmental Protection, the federal Natural Resource Conservation Service, the Suwannee River Water Management District, the Florida Department of Agriculture and Consumer Services, landowners, and other interested groups have been working cooperatively to abate and reduce nitrate contamination of the Suwannee River and surrounding areas. As a means of nitrate abatement, poultry and dairy farmers not having sufficient land to accommodate litter or waste disposal are constructing litter and compost facilities to hold waste. These facilities are actual physical structures costing from \$30,000 to \$80,000 each. Construction costs are shared by the federal government, state government, and the landowner.

C. EFFECT OF PROPOSED CHANGES:

Section 193.621, F.S., provides special provisions for ad valorem taxation assessment of pollution control devices. HB 2119 amends this section by revising the definition of "facility" or "facilities" to include real property improvements consisting of compost or litter facilities used in connection with nitrate abatement/reduction from poultry or dairy operations.

D. SECTION-BY-SECTION ANALYSIS:

See Section D. Effect of Proposed Changes.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

Please see Fiscal Comments section.

2. Expenditures:

Please see Fiscal Comments section.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

Please see Fiscal Comments section.

2. Expenditures:

Please see Fiscal Comments section.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Implementation of this bill will probably not result in lower taxes for poultry and dairy farmers constructing litter or compost facilities. However, by having these facilities assessed at no greater than market value as salvage, the farmers' ad valorem taxes will not increase significantly.

D. FISCAL COMMENTS:

HB 2119 has been submitted, but not yet analyzed by the Revenue Impact Conference. The Department of Revenue indicates there will be an operational impact on the agency; however, specific information has not been compiled.

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

A. APPLICABILITY OF THE MANDATES PROVISION:

HB 2119 does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

HB 2119 does not reduce the revenue raising authority that municipalities or counties have to raise revenues in the aggregate.

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

HB 2119 does not reduce the percentage of state tax shared with counties or municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

N/A

B. RULE-MAKING AUTHORITY:

N/A

C. OTHER COMMENTS:

N/A

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VII. SIGNATURES:

COMMITTEE ON AGRICULTURE:

Prepared by:

Staff Director:

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Susan D. Reese

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