

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCB GAAC 09-01 Department of Citrus
SPONSOR(S): Government Accountability Act Council
TIED BILLS: **IDEN./SIM. BILLS:** SPB 7016(CA)

	REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
Orig. Comm.:	Government Accountability Act Council		Zeiler	Lowell
1)				
2)				
3)				
4)				
5)				

SUMMARY ANALYSIS

The Government Accountability Act requires each agency and related advisory councils to be reviewed by the Legislature according to a prescribed ten year schedule. If the Legislature does not take action, the agency will continue to be subject to an annual sunset review each year until the Legislature enacts legislation that continues, modifies, or terminates the agency. While the Department of Citrus was scheduled to be reviewed by July 1, 2008, the Legislature did not take final action during the 2008 regular session.

The Proposed Council Bill reenacts the Department of Citrus and Florida Citrus Commission and repeals the Citrus Stabilization Act.

The bill is effective upon becoming a law.

HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation

❖ Government Accountability Act

Overview

Sections 11.901-11.920, F.S., the "Florida Government Accountability Act," create an agency sunset review process to determine if a public need exists for the continuation of a state agency, its advisory committees, or its programs. The act requires each agency and related advisory councils to be reviewed by the Legislature according to a prescribed ten year schedule. If the Legislature does not take action before the review date to reenact the agency or its advisory committees, the agency will continue to be subject to an annual sunset review until the Legislature enacts legislation relating to the agency's abolition, continuation, or reorganization.

Sunset Review Process

The act requires the appointment of a Joint legislative Sunset Committee to oversee the review process, obtain public input, and make recommendations to abolish, continue, or reorganize the agency under review.

Two reports are required prior to an agency's review date:

- No later than 2 years preceding the year in which an agency and its advisory committees are scheduled to be reviewed, the agency must provide the Legislature with a preliminary report detailing its programs and activities. Upon receipt of the agency's report, the sunset review committees of the Senate and House of Representatives are required to conduct independent reviews of the agency and its advisory committees. The Office of Program Policy Analysis and Government Accountability (OPPAGA) and the Auditor General are required to assist the Senate and House of Representatives in the review process.
- No later than March 1 of the year in which an agency is scheduled to be reviewed, the sunset committees of the Senate and House of Representatives are required to provide the President of the Senate and Speaker of the House of Representatives with recommendations on the abolition,

continuation, or reorganization of each state agency and its advisory committees and on the need for the performance of the functions of the agency and its advisory committees.

❖ Department of Citrus

Overview

Chapter 601, F.S., the "Florida Citrus Code," establishes the Department of Citrus (DOC) and the Florida Citrus Commission (commission). Section 601.10, F.S., outlines the general and specific powers of the DOC, which include:

- Act as the general supervisory authority over the administration and enforcement of the Code.
- Investigate violations of the Code and to report its findings or recommendations to the Department of Agriculture and Consumer Services.
- Adopt, promulgate, alter, rescind, modify, amend, and enforce rules and regulations and establish minimum maturity and quality standards for citrus fruits.
- Regulate and control methods and practices followed or used in harvesting, grading, packing, extracting, canning, concentrating, sectionizing, or otherwise processing citrus fruits or citrus juices or the products thereof for human consumption.
- Prepare and disseminate information of importance to citrus growers, handlers, shippers, processors, and industry-related and interested persons and organizations.
- Promulgate rules for the purpose of entering into contracts which are primarily for promotional and advertising services and promotional events which may include commodities involving a service.
- Investigate or address the transportation problems affecting the citrus industry.
- Investigate or research the mechanical harvesting of citrus fruit grown in Florida.

The DOC is overseen by the commission, a 12 member board appointed by the Governor and confirmed by the Senate. Each member must be a resident citizen of the state who is and has been actively engaged in growing or processing of citrus fruit in the state for a period of at least 5 years immediately prior to appointment. Seven members are designated as grower members, primarily engaged in the growing of citrus fruit. The remaining five members are designated as grower-handler members engaged in the fresh fruit business, and three of such five grower-handler members must be primarily engaged in the processing of citrus fruits. Each of four citrus districts must be represented by three members of the commission and each member must reside in the district from which she or he was appointed. Members serve staggered 3 year terms. The commission is authorized to elect a chair and vice chair and other officers.

The state is divided into four citrus districts composed of the following counties:

- District One: Levy, Alachua, Putnam, St. Johns, Flagler, Marion, Citrus, Sumter, Lake, Seminole, Orange, Hernando, Pasco, Pinellas, Hillsborough, Polk, and Osceola Counties.
- District Two: Manatee, Hardee, DeSoto, Sarasota, Charlotte, Lee, Collier, and Monroe Counties.
- District Three: Volusia, Brevard, Indian River, St. Lucie, Martin, Palm Beach, Broward, and Miami-Dade Counties.
- District Four: Highlands, Okeechobee, Glades, and Hendry Counties.

The commission annually sets an excise tax on each box of citrus, or its equivalent, delivered to its primary channel of trade. The excise tax is primarily used to promote and market citrus products with an emphasis on orange juice.

Sunset Reviews

The DOC was scheduled to be reviewed by July 1, 2008. During the 2008 regular session, the Legislature did not take final action; consequently, the DOC remains subject to an annual sunset review.

The DOC submitted its Sunset Advisory Report to the Legislature on December 28, 2006. The DOC reported that:

- The School Marketing Program Administrative Committee, created pursuant to 601.154(4)(a), F.S., was discontinued in April 2000 and the remaining funding would be expended during the fiscal year 2006-2007. The purpose of the committee was to advise the DOC in the administration of the marketing order issued pursuant to s. 601.154, F.S. the "Citrus Stabilization Act".
- The Fresh Domestic Grapefruit Advisory Council and the Fresh Orange & Specialty Advisory Council, created pursuant to 601.04(3)(b) F.S., were discontinued in 2005.
- The Inspection Review Committee, created pursuant to 601.04(3)(b) F.S., was discontinued because the committee's purpose had been achieved.

OPPAGA, the Joint Legislative Sunset Committee, and the Senate Committee on Agriculture have prepared various reports and memorandums regarding the sunset review of the DOC. Their recommendations are summarized below:

OPPAGA–November 2007

- Continue with no modifications.
- Transfer research and licensing programs to the Department of Agriculture and Consumer Services (DACS).
- Eliminate the DOC and reconstitute its functions within DACS
 - As separate divisions.
 - Within existing divisions.
- Eliminate the DOC and the commission, and allow DACS to perform citrus-related regulatory and research functions.
- Direct the DOC to pursue the establishment of a federal research and promotion program.

Joint Legislative Sunset Committee–March 2008

- Establish a six-year recurring referendum for the continuation of the citrus excise tax.
- Continue five advisory committees and expand internet access to gain efficiencies in obtaining industry input.

Senate Committee on Agriculture–January 2008

- Retain the DOC.
- Repeal the Citrus Stabilization Act.
- Clarify the role of the DOC via industry input.
- Refine options for moving forward, including petitioning the federal government to establish a federal research and promotion program for orange juice.

Senate Committee on Agriculture–September 2008

The Senate issued a revised report containing all of the recommendations of the January report with the addition of the following recommendation:

- Enhance research funding for mechanical harvesting and disease control through third parties, with the department as a funding source and not a research entity.

Effect of Proposed Changes

The bill reenacts ss. 20.29, 601.04, and 601.05, F.S., to continue the DOC and the commission. In addition, the bill repeals s. 601.154, F.S., the Citrus Stabilization Act. The act has been superseded by s. 601.15, F.S., which provides adequate authority to the DOC to market and promote Florida citrus.

B. SECTION DIRECTORY:

Section 1. Reenacts ss. 20.29, 601.04, and 601.05, F.S., relating to the Department of Citrus, the Florida Citrus Commission, and the Department of Citrus, a body corporate, respectively.

Section 2. Repeals s. 601.154, F.S., relating to the Citrus Stabilization Act of Florida.

Section 3. Provides an effective date of upon becoming a law.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None. The bill retains the DOC, which continues the 3.3% general revenue service fee on the excise taxes deposited into Citrus Advertising Trust Fund.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The reenactment of the DOC will result in the continuation of contracts with the private sector to provide advertising and conduct research.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not Applicable. The bill does not appear to affect municipal or county governments.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill repeals the Citrus Stabilization Act, thereby repealing DOC rulemaking authority to establish and administer marketing orders. This rule authority is no longer necessary.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES