

1989

Session Law 89-245

Florida Senate & House of Representatives

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**H 580 GENERAL BILL/1ST ENG by Smith; Messersmith and others
(Similar CS/S 540, Compare 1ST ENG/S 430)**

Agricultural Regulation; (SUNSET) clarifies provisions re inspection fees, payment of & exemptions from such fees; increases license fees for fence post processors & dealers; continues regulation of treatment of fence posts with preservatives & sale of treated fence posts; provides for review & repeal, etc. Amends 590.061,.091; amends/revives/readopts 501.90. Effective Date: 10/01/89.

03/08/89 HOUSE Prefiled
03/10/89 HOUSE Referred to Agriculture; Finance & Taxation; Appropriations
04/04/89 HOUSE Introduced, referred to Agriculture; Finance & Taxation; Appropriations -HJ 59
04/07/89 HOUSE On Committee agenda—Agriculture, 04/11/89, 9:00 am, 314-HOB—For ratification to subcommittee
04/11/89 HOUSE Subreferred to Subcommittee on General Agriculture; On subcommittee agenda—Agriculture, 04/13/89, 3:30 pm, 314-HOB
04/14/89 HOUSE On Committee agenda—Agriculture, 04/18/89, 3:45 pm, 314-HOB
04/18/89 HOUSE Preliminary Committee Action by Agriculture: Favorable with 2 amendments
04/19/89 HOUSE Comm. Report: Favorable with 2 amendment(s) by Agriculture -HJ 249; Now in Finance & Taxation -HJ 249
04/27/89 HOUSE Withdrawn from Finance & Taxation -HJ 285; Now in Appropriations
05/10/89 HOUSE Withdrawn from Appropriations -HJ 449; Placed on Calendar
05/16/89 HOUSE Placed on Special Order Calendar
05/18/89 HOUSE Read second time; Amendments adopted -HJ 531
05/19/89 HOUSE Read third time; Passed as amended; YEAS 115 NAYS 0 -HJ 544
05/22/89 SENATE In Messages
05/24/89 SENATE Received -SJ 414; Substituted for CS/SB 540; Passed; YEAS 38 NAYS 0 -SJ 425
05/25/89 Ordered enrolled
06/13/89 Signed by Officers and presented to Governor
06/29/89 Became Law without Governor's Signature; Chapter No. 89-245

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NOTES: Above bill history from Division of Legislative Information's *FINAL LEGISLATIVE BILL INFORMATION, 1989 SESSIONS*. Staff Analyses for bills amended beyond final committee action may not be in accordance with the enacted law. Journal page numbers (HJ & SJ) refer to daily Journals and may not be the same as final bound Journals.

STORAGE NAME: h0580-f.hag
DATE July 10, 1989

HOUSE OF REPRESENTATIVES
HOUSE COMMITTEE ON AGRICULTURE
FINAL STAFF ANALYSIS & ECONOMIC IMPACT STATEMENT

BILL #: HB 580

RELATING TO: Commercial feed/treated fence posts

SPONSOR(S): Representatives Smith, Messersmith, Sindler, Webster,
Holzendorf, Albright and King

EFFECTIVE DATE: October 1, 1989

DATE BECAME LAW: June 29, 1989, without governor's signature

CHAPTER #: 89-245, Laws of Florida

COMPANION BILL(S): Similar to CS/SB 540 by Senator Thurman
Compare 1st ENG/SB 430 by Agriculture

OTHER COMMITTEES OF REFERENCE: (1)

(2)

I. SUMMARY:

A. PRESENT SITUATION:

Commercial Feed:

Chapter 580, Florida Statutes, is known as the Florida Commercial Feed Law. Pursuant to this law, a registrant or distributor of commercial feeds must apply to the Department of Agriculture and Consumer Services for a permit to report the tonnage of commercial feeds sold and pay the inspection fee of 50 cents per ton.

If the report is not filed and the inspection fee is not paid on the date due, there is a penalty of 10 percent of the inspection fee due or \$25, whichever is greater.

All commercial feeds distributed by a registrant or distributor for the sole use of feeding livestock or other domestic animals owned by the registrant or distributor are, upon written request to the department, exempt from the inspection fee.

All commercial feeds distributed by a cooperative registrant or distributor distributing feeds solely to a member of the cooperative are exempt from the fee imposed by Chapter 580, F.S. Should the cooperative choose to sell to non-members, the

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exemption is lost and fees must be paid on all feed sold.

Florida Treated Fence Post Act:

Section 11.61, Florida Statutes, provides for the periodic legislative sunset review of the need for, and public benefits derived from, a program or function that licenses or regulates the initial entry into and practice of a profession, occupation, business, industry, or other endeavor and for the termination, modification, or reestablishment of such programs. Section 2 of Chapter 81-318, Laws of Florida, repeals the Florida Treated Fence Post Act on October 1, 1989, unless the legislature revives and readopts it in the public interest.

The Florida Treated Fence Post Act, section 501.90, Florida Statutes, requires the Department of Agriculture and Consumer Services to license each person, firm or corporation who engages in the business of treating fence posts with preservatives in the state or who ships or brings into the state treated fence posts for sale. Treated fence posts offered for sale in the state are to be clearly marked with a brand approved by the department and every sale of treated fence posts, except a sale between farmers, must have documentation available disclosing the method or treatment process, the name of the preservative per cubic foot of treated wood, and the name and location of the wood preserving plant. Inspection and sampling powers are given to the department and penalties are provided for violation of the act.

There have been 23 out-of-state firms and 5 Florida companies licensed to sell treated fence posts in the state since the passage of the act. Each dealer and processor remits to the department \$25 as payment for the annual license fee.

B. EFFECT OF PROPOSED CHANGES:

Commercial Feed:

This bill would impose the 10 percent of the inspection fee due or \$25 penalty, if the tonnage report is not filed or if the inspection fee is not paid on the date due.

The phrase "owned by" would be clarified. The exemption from the inspection fee applies if the same person, group of persons, entity, or entities owns 90 percent of the authorized and outstanding stock of the corporation.

A cooperative which qualifies for the exemption from the inspection would be clarified. Only sales made to non-members would be subject to the tonnage report requirement and inspection fee.

Florida Treated Fence Post Act:

This bill would reenact the Florida Treated Fence Post Act and schedules it for review and repeal on October 1, 1999. The

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring or First Year Start-Up Effects:

None

2. Recurring or Annualized Continuation Effects:

Penalties would be collected from registrants or distributors of commercial feed if either the tonnage report is not filed or the inspection fee is not paid on the date due.

3. Long Run Effects Other Than Normal Growth:

None

4. Appropriations Consequences:

The Department of Agriculture and Consumer Services estimated that \$1,400 was spent during the past fiscal year for the treated fence post program.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring or First Year Start-Up Effects:

None.

2. Recurring or Annualized Continuation Effects:

None.

3. Long Run Effects Other Than Normal Growth:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

Penalties would be imposed on registrants or distributors of commercial feed who fail either to submit the tonnage report or to pay the inspection fee.

Persons or firms who want to sell treated fence posts in Florida will have to pay the increased annual license fee.

2. Direct Private Sector Benefits:

Cooperatives that want to sell feed to non-members would be able to do so without losing the inspection fee exemption for sales made to members of the cooperative.

Persons buying treated fence post will benefit by being assured the fence posts are treated by a legitimate process which will insure the longevity of the fence posts.

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

None

D. FISCAL COMMENTS:

III. LONG RANGE CONSEQUENCES:

The substance of this bill is not addressed in the State Comprehensive Plan.

IV. COMMENTS:

This bill does not address the Issues Conference Policy Statement.

V. SIGNATURES:

SUBSTANTIVE COMMITTEE:

Prepared by:

Sonia R. Crockett
Sonia Crockett, Staff Attorney

Staff Director:

Becky Everhart
Becky Everhart

SECOND COMMITTEE OF REFERENCE:

Prepared by:

Staff Director:

APPROPRIATIONS:

Prepared by:

Staff Director:

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

<u>ANALYST</u>	<u>STAFF DIRECTOR</u>	<u>REFERENCE</u>	<u>ACTION</u>
1. <u>Merritt <i>em</i></u>	<u>Poole <i>mjp</i></u>	1. <u>AG</u>	<u>Fav/CS</u>
2. _____	_____	2. _____	_____
3. _____	_____	3. _____	_____
4. _____	_____	4. _____	_____

SUBJECT: Commercial feed - Inspection fees.

BILL NO. AND SPONSOR: CS/SB 540 by Senate Committee on Agriculture and Senator Thurman

I. SUMMARY:

A. Present Situation:

Chapter 580, F.S., relating to the Florida Commercial Feed Law, provides that feed is adulterated if it contains an ingredient in sufficient quantity to render it harmful to animals, or to man using food produced by animals, fed in accordance with label directions. The inspection for which a 50-cent per ton fee is charged, as provided in s. 580.061, F.S., is designed to protect the producer of livestock and poultry from receiving adulterated commercial feed or feed of a quality lesser than is specified on labels provided by manufacturers of the commercial feed. Sales of feed made by a registrant to another registrant are exempt from the inspection fee. Also exempt from the 50-cent per ton inspection fee is a registrant or distributor of feed when the feed is used solely for feeding livestock owned by a registrant, distributor or a cooperative.

Section 580.091, F.S., provides inspection, sampling and analysis authority to the department.

B. Effect of Proposed Changes:

Section 580.061, F.S., is amended by the bill for the purpose of clarifying the term "owned by" as it relates to distributors of commercial feed who are exempt from inspection fees. When any corporate entity who owns 90 percent of the stock during any period who is also acting as registrant or distributor and any corporation acting as the owner of livestock is owned by the same entity, the commercial feed inspection fee exemption applies. The bill provides that cooperatives as described in chapters 618 or 619 are exempt from the inspection fee when sales are made to its members. It further provides that sales made by cooperatives to individuals or entities who are not members of the cooperative may not be exempt from the commercial feed inspection fee.

Section 580.091, F.S., relating to inspection, sampling and analysis procedures by the department, is amended in the bill to correct cross-references pertaining to cooperatives.

II. ECONOMIC IMPACT AND FISCAL NOTE:

A. Public:

Certain corporate entities will be exempt from paying the 50-cent per ton commercial feed inspection fee.

B. Government:

The Department of Agriculture and Consumer Services indicates that this bill will reduce the General Inspection Trust Fund by \$100,000.

III. COMMENTS:

The bill corrects a problem with assessment of feed inspection fees. The problem concerns the definition of corporate entities as it relates to the ownership of livestock or poultry. Since the inspection program is designed as a protection for producers of livestock and poultry, no one needs to be protected under this bill. It is the manufacturers of the commercial feed who will be deprived of the benefits of producing top quality livestock and poultry products if the feed furnished is not distributed in accordance with the Florida Commercial Feed Law.

IV. AMENDMENTS:

None.