



# The Florida Senate

*Interim Project Report 98-02*

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Committee on Agriculture

Senator Charlie Bronson, Chairman

## REVIEW OF THE BILL OF LADING PROGRAM

### SUMMARY

One of Florida's sources of revenue consists of taxes paid on products, goods and services delivered into the state. The Department of Agriculture and Consumer Services and the Department of Revenue jointly participate in a "Bill of Lading Program" which is designed to identify and recover unpaid taxes. Uniformed agricultural inspection officers copy bills of lading (approximately 80,000 in fiscal year 1997-98) and turn over these copies to the Department of Revenue to review and evaluate and to seek payment of taxes that would have been otherwise uncollected. The best method to monitor bills of lading passing through interstate commerce and to identify unpaid taxes is to monitor commercial traffic. With few exceptions, commercial traffic going through Florida, at some point, will be required to stop at one of the 22 agricultural inspection stations located throughout the state. The Bill of Lading Program allows several functions to be done at one place and at one time, using existing personnel, facilities, and resources of two agencies. The Bill of Lading Program has had a proven record of performance. Since 1993, more than 318,000 bills of lading have been transmitted to the Department of Revenue and over \$50,000,000 in revenues have been collected that would have been lost if the program did not exist. The average recovery of taxes owed is over \$900,000 a month. The Agricultural Uniformed Law Enforcement Program has identified several modifications to improve the efficiency of the bill of lading program, and most of these points revolve around decreasing the amount of time it takes the officers to collect and transmit the bills of lading or other required agricultural certifications and documentation. Since Florida's highways are becoming increasingly traveled, it appears likely that these time saving measures would increase the number of bills of lading collected and transmitted to the Department of Revenue.

### BACKGROUND

In March of 1993, the Department of Agriculture and Consumer Services (department) and the Department of Revenue entered into a joint cooperative effort designed to identify and recover unpaid taxes through the department's "Bill of Lading Program." A bill of lading is a document used in commercial transportation that describes the product, indicates the point of origin, identifies the owner, and the final delivery destination. One of Florida's sources of revenue consists of taxes paid on products, goods and services delivered into the state. The best method to monitor bills of lading passing through interstate commerce and to identify unpaid taxes is to monitor commercial traffic. With few exceptions, commercial traffic going through Florida, at some point, will be required to stop at one of the 22 agricultural inspection stations located throughout the state. The officers copy bills of lading (approximately 80,000 in fiscal year 1997-98) and turn over these copies to the Department of Revenue to review and evaluate and to seek payment of taxes that would have been otherwise uncollected.

The Bill of Lading Program is supported through the Agricultural Uniformed Law Enforcement Program, which is funded primarily from General Revenue with some additional funds coming from the General Inspection Trust Fund. The program received one of Florida's first State Innovation Grants in fiscal year 1993-94 in the amount of \$420,253 for acquisition and implementation of automation equipment to enhance the program's effectiveness. In 1994, the tax recoveries as a result of this program and grant were over \$7,000,000. The department has received two Davis Productivity Awards for Unit Performance for its participation in the Bill of Lading Program. In fiscal year 1997-98, the Legislature appropriated \$490,500 for the creation of an Imaging Technology System Pilot Project. This allowed the department to purchase imaging scanners and related equipment for installation at the three agricultural inspection stations located on I-10, I-75 and I-95.

## METHODOLOGY

Interviews were conducted in order to obtain information relating to the Bill of Lading Program operated cooperatively by the Department of Agriculture and Consumer Services and the Department of Revenue. Site visits were made to agricultural inspection stations to view facilities and equipment. Staff observed officers inspecting bills of lading using current technology to determine necessary improvements to prevent dangerous backups on inspection ramps. Officers were interviewed to determine what construction and renovations should be done in order to speed inspections and to provide safer conditions for the officers examining documentation.

## FINDINGS

The Bill of Lading Program has had a proven record of performance. Since 1993, more than 318,000 bills of lading have been transmitted to the Department of Revenue and over \$50,000,000 in revenues have been collected that would have been lost if the program did not exist.

All 22 agricultural inspection stations were constructed between the late 1930s and the mid-1970s. Since construction, the stations have only been repaired or had minor renovations. Most of the stations need substantial renovations including new roofs, doors, floors, plumbing, bathrooms, insulation, energy efficient windows, air conditioning and heating units. Failure to fund renovations will result in continued deterioration of the facilities, increasing costs of operation and creating a safety hazard to employees and the public. In addition, a pleasant working environment is much more conducive to better employee morale.

At present, agricultural inspection stations are located on the right-hand side of the ramp and all electronic, telephone, fax, copier, and automation equipment needed to perform an inspection is housed in these facilities. Since the driver of the vehicle is located on the left-hand side, this requires the officer to stand on the left-hand side of the inspection ramp, across from the equipment and forms required to perform their job. Agricultural law enforcement officers are required to meet vehicles on the ramps leading to the stations where pertinent documents, cargos and bills of lading are inspected. Therefore, the officer conducts the inspection, and if necessary, crosses over the inspection ramp to the station, copies or otherwise records the document, and returns the document to the

driver of the vehicle. It is estimated that the distance for this round trip is 100 feet. This 100-foot round trip, together with the time that is wasted for the officers as well as the driver who awaits return of the documents, occurs hundreds of times per shift. Valuable time that might otherwise be spent on inspection is lost due to ineffectual placement of facilities and equipment. A safety concern about these trips is that the officers must cross the ramp under weather conditions that cause poor visibility for drivers, increasing the likelihood of accidents and injuries.

A small, doorless shack is located on the left-hand side of the road to provide shelter and some safety for the officers. To make inspections more efficient, a recommendation made by an officer to install a portable copier in the shacks was carried out. This has cut the number of the trips across the ramp at the stations which have been provided with portable copiers. During inclement weather, the copier must be removed to keep it from getting wet. However, during times of rain and cold, the officers must stand in these small facilities unprotected from the elements. Additional traffic barriers around these shacks would provide better protection for the officers.

Many of the inspection ramps leading to the stations are in need of repair, resurfacing, and other design improvements such as better lighting and signage. Millions of heavy trucks drive over the inspection ramps each year causing the ramps to become wavy and unstable, making it unsafe for officers walking on them while the trucks pass through.

The radio communications equipment at the stations is outdated. Officers who must leave the station in pursuit of a vehicle must take hand held radios with them. Some radios and base stations are more than 10 years old. At present, when officers exit a pursuit vehicle, they are sometimes without radio communications thereby creating a potentially dangerous situation for both the officer and the public. The lack of instantaneous radio communications further slows the inspection process and wastes time that could otherwise be spent on the inspection process. Shoulder radios would increase safety of the officers by allowing their hands to be free in emergencies and by making it easier to communicate with other officers at the station.

Many of the vehicles that the officers drive are very old. Since a number of the inspection stations are located in isolated areas, it is extremely important to

have reliable vehicles available for usual job responsibilities as well as emergencies.

## RECOMMENDATIONS

The citizens of Florida derive significant benefit from the Bill of Lading Program. The detection and recovery of taxes that are owed has added fifty million dollars to the state treasury since 1993, when the program began. The following technology and capital improvements could be made to speed the inspection process and to make it safer for the agricultural inspection officers:

### **Complete the Imaging System Technology Project.**

Imaging technology uses scanners to capture documents and “improves” image quality for legibility. Data accuracy is ensured and it establishes a data base that allows the Department of Revenue and the Department of Agriculture and Consumer Services to obtain useful information without keeping time-consuming, handwritten charts. It permits the user to “search” for desired information through simple software search engines. The Imaging Technology Pilot Project needs to be continued and improved in order to increase the speed of inspections. Traffic through the agricultural inspection stations continues to increase, so it is expected that the total number of inspections will increase from over 10 million to more than 12 million a year.

### **Place modular building and equipment on the left-hand side of inspection ramps.**

Currently all electronic and automation equipment at an agricultural inspection station is housed in a structure on the right-hand side of the ramp where vehicles pull up to be inspected. An officer must pass in front of the vehicle to converse with and collect documentation from the driver of the vehicle on the left-hand/driver’s side of the truck. Once the officer receives the documentation, the officer must then travel back to the structure to enter the bill of lading into the system. This requires the officer to take additional time to walk an average of 100 feet to and from the structure to use the automation equipment and return the documents to the driver. Over the course of a shift, multiplied by several officers, a great deal of time is consumed by this action. In addition, there are safety concerns about the officers passing in front of what is generally a large tractor trailer truck.

Modular buildings could be installed on the left-hand side of the ramp to house the equipment necessary for an officer to enter the bill of lading into the system. Although there are 22 agricultural inspection stations, this expenditure is likely to increase the productivity of the stations and enhance officer safety. Inspections that are currently missed due to safety and time restrictions could be conducted and additional bills of lading could be captured.

### **Make structural improvements to inspection ramps.**

Many of the inspection ramps leading to the stations are in need of repair, resurfacing, and other design improvements such as better lighting and signage. Millions of heavy trucks drive over the inspection ramps each year causing the ramps to become wavy and unstable, making it unsafe for officers who need to walk on them as the trucks pass through.

### **Improve radio communications.**

The radio communications equipment at the stations is very outdated. Officers who must leave the station in pursuit of a vehicle must take hand held radios with them. Shoulder radios would increase safety of the officers by allowing their hands to be free in emergencies and by making it easier to communicate with other officers at the station thereby speeding the overall agricultural inspection process.

### **Replace aging vehicles.**

Many of the vehicles that the officers drive are very old. Since a number of the inspection stations are located in isolated areas, it is extremely important to have reliable vehicles available for usual job responsibilities as well as emergencies. The average mileage placed on pursuit vehicles each year is more than 23,000 miles. By the end of 1998, many of the vehicles currently in use will either be over five years old, or will have obtained mileage of over 70,000 miles, which exceeds the criteria developed by the Department of Management Services’ Division of Motor Vehicles and Watercraft for replacement of law enforcement pursuit vehicles.

**Make major renovations to inspection stations.**

All 22 agricultural inspection stations were constructed between the late 1930s and the mid-1970s. Since construction, the stations have only been repaired or had minor renovations. Most of the stations need substantial renovations including new roofs, doors, floors, plumbing, bathrooms, insulation, energy efficient windows, air conditioning and heating units. Failure to fund renovations will result in continued deterioration of the facilities, increasing the cost of operation and creating a safety hazard to employees and the public.

**Purchase additional safety equipment.**

Additional lighting, traffic signaling devices, and traffic barriers should be installed at inspection ramps. Quality safety vests should be available to all officers.

**Create a Highway Advisory Radio System.**

An enormous amount of time is lost due to commercial truckers searching for the correct documentation to present to officers at inspection stations. The installation of low powered solar radio transmitters or highway advisory radio systems (HARS) well before the inspection site would be a cost effective and very efficient method of informing drivers which documents to have ready. Signs would be strategically placed well before the inspection station to inform truckers which radio frequency they should tune into to listen to a prerecorded message that would identify the documents that should be ready for inspection at the station. This technology is currently used by state agencies and private enterprises in Florida and is an effective form of communication. In addition, other regulatory information on the movement of agricultural products and the type of vehicles required to stop for inspection could also be transmitted, thereby decreasing the number of vehicles that erroneously enter the inspection stations.

**COMMITTEE(S) INVOLVED IN REPORT** *(Contact first committee for more information.)*

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**MEMBER OVERSIGHT**

Senators Charlie Bronson and John Laurent