

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Agriculture Committee

BILL: SB 1638

INTRODUCER: Agriculture Committee

SUBJECT: Pest Control Compact

DATE: March 4, 2008

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Robinson	Poole	AG	<b>Favorable</b>
2.			GO	
3.			JU	
4.			GA	
5.				
6.				

**I. Summary:**

This bill allows Florida, through the Department of Agriculture and Consumer Services, to remain a member of the Interstate Pest Control Compact (IPCC), which the Department has been a member of since 1995.

This bill creates section 570.345 of the Florida Statutes.

**II. Present Situation:**

Through the Florida Department of Agriculture and Consumer Services, Florida has been a member state of the Interstate Pest Control Compact (IPCC) since 1995. The IPCC was formed in 1968 in order to provide funding assistance to states that needed to respond to a new agricultural pest outbreak, but lacked the immediate financial ability to respond. This is the current mission of the IPCC. Florida's membership in 1995 was prompted by its status as a high-risk state for new pest outbreaks. Florida's multiple ports of entry, trade, and tourism, coupled with a mild climate and crop diversity, facilitate Florida's high-risk status. Florida's assessment of \$39,342 was paid in six-year installments and was paid in full in 2001. Therefore, Florida has no fees that are due as a member of the IPCC. The \$39,342 amount was determined based on the value of Florida's crop and forest products, excluding animal and animal products. This was calculated using the following formula: One-tenth (\$100,000) of the total base fund of \$1,000,000 was assigned equally to each state (\$2,000 per state) and the remainder of the base (\$900,000) is proportioned to each state on the basis of the value of its crop and forest products. Florida has benefited by compact membership by drawing \$240,522 in federal funding to combat noxious weed and tomato virus introductions.

If Florida wishes to remain a member in good standing of the IPCC, action must be taken to adopt model authorizing language by statute.

### III. Effect of Proposed Changes:

**Section 1** (1) Enactment of Compact. -- creates section 570.345, F.S., enacting, through the Florida Department of Agriculture and Consumer Services, the Interstate Pest Control Compact. (a) Departments, agencies and officers of the State of Florida can cooperate with the Insurance Fund that is established by the compact. (b) Copies of bylaws and amendments are to be filed with the Commissioner of Agriculture. (c) The Commissioner of Agriculture will be the compact administrator for the state. (d) Requests for assistance can be made by the Commissioner of Agriculture. (e) The department, agency or officer expending or becoming liable for an expenditure will have credited to the appropriate account in the state treasury. (f) In this compact the term “executive head” means the governor.

(2) Findings. -- (a) Without this compact the annual loss of \$137 billion from pests is certain to continue or increase. (b) All states share an inability to protect themselves from pests. (c) States should complement each others’ efforts to prevent infestations. (d) There is established an Insurance Fund that all states may use to benefit themselves against infestations.

(3) Definitions. -- (a) The bill defines “state” to mean a state, territory, or possession of the United States, the District of Columbia, or the Commonwealth of Puerto Rico. (b) The bill defines “requesting state” as a state that invokes the procedures of the compact to control or eradicate one or more pests within one or more other states. (c) The bill defines “responding state” as a state that is requested to undertake or intensify measures to control or eradicate one or more pests within one or more other states. (d) The bill defines “pest” as any invertebrate animal, pathogen, parasitic plant, or similar or allied organism that can cause disease or damage in any crops, trees, shrubs, grasses, or other plants of substantial value. (e) The bill defines “insurance fund” as the Pest Control Insurance Fund established pursuant to this compact. (f) The bill defines “governing board” as the administrators of this compact representing all of the party states. (g) The bill defines “executive committee” as the committee established pursuant to paragraph (6) (e).

(4) Insurance Fund -- There is established a Pest Control Insurance Fund for the purpose of financing other than normal pest-control operations. The Insurance Fund will contain money appropriated to it by party states.

(5) Pest Control Insurance Fund; Internal Operations and Management -- (a) The Insurance Fund shall be administered by a Governing Board and Executive Committee. (b) Members on the board are entitled to one vote on the board. Votes are non-binding unless a majority is present. (c) The Insurance Fund will have a seal that will be the official symbol. (d) The governing board will elect a chairperson, vice-chairperson, secretary and treasurer. (e) In the absence of an executive director the chairperson will appoint, remove or discharge personal as may be necessary for the performance of the Insurance Fund. (f) The Insurance Fund may borrow or contract for services from any state. (g) The insurance fund may accept for its purposes any money, equipment, supplies, materials and services, conditional or otherwise, from any state government or other entity. (h) The Governing Board will adopt bylaws for the conduct of the

business of the Insurance Fund. (i) The Insurance Fund will make an annual report to the Governor and Legislature on its activities for the preceding year. (j) The Insurance Fund may do other things that are “necessary or incidental” to the conduct of its affairs pursuant to this chapter.

(6) Compact and Insurance Fund Administration -- (a) Each state will have a compact administrator that will be selected and serve as the laws of his or her state provide. (b) If the laws of the United States provide, or if a provision is made within the laws by the federal government, the United States may be represented on the Governing Board of the Insurance Fund by no more than three representatives. However, these representatives shall not have a vote on the Governing Board or Executive Committee. (c) The governing board will meet once a year. (d) At the time the Insurance Fund is meeting, the Governing Board will pass upon applications for assistance from the Insurance Fund and authorize use of the funds. (e) The Executive Committee will be composed of the chairperson of the governing board and there will be four other members representing the four geographic groupings of party states.

(7) Assistance and Reimbursement -- (a) Each state will try to the best of its ability to control all pests within its borders. 1. The maintenance of pest-control and eradication activities of interstate significance by a party state should be maintained at a level that is reasonable for protection in the absence of a compact. 2. States must act to prevent and eradicate pests as they would in the absence of a compact. (b) A state threatened by a pest not within its own borders may request money from the Insurance Fund to combat the pest. (c) In order to obtain money from the Insurance Fund a state must fill out an application with six written requirements. (d) The governing board will give notice of any meeting that will be called to review the application of any member state. (e) The Governing Board can then authorize support of the program after reviewing the materials and determining a credible threat. (f) A dissatisfied requesting state can ask for a review within 20 days and that review will be taken up at the next meeting of the governing board. (g) Responding states may receive money from the compact as reimbursement for expenses incurred. (h) Before authorizing any money from the Insurance Fund, the Insurance Fund will ascertain whether or not the federal government will give assistance and participation. (i) The Insurance Fund may negotiate and execute a memorandum of understanding defining assistance or participation between and among the Insurance Fund, cooperating federal agencies, states, and any other entities concerned.

8. Advisory and Technical Committees -- The Governing Board may establish advisory and technical committees composed of state, local, and federal offices and private persons to advise it with respect to any of its functions.

9. Relations and Nonparty Jurisdiction -- (a) A state in the party may make a request for assistance to combat a threatening pest in a nonparty state. (b) A nonparty state may appear before the Governing Board or Executive Committee and participate and receive any information that the Governing Board or Executive Committee may provide. (c) The governing board can authorize expenditures in the nonparty state if the expenditures justifiably protect party states.

10. Finance -- (a) The Insurance Fund will submit to each state a budget for the Insurance Fund for a period as it may be required by laws of the party state. The budget will be presented to the Legislature. (b) Each of the budgets will contain specific recommendations of the amount or

amounts to be appropriated by each of the party states. (c) The financial assets of the Insurance Fund will be held in two accounts designated as the "Operating Account" and the "Claims Account." (d) The Insurance Fund will not pledge the credit of any party state. (e) The Insurance Fund shall keep accurate accounts of all receipts and disbursements. These documents will be subject to auditing. (f) The accounts of the Insurance Fund shall be open for inspection at any reasonable time.

11. Entry into Force and Withdrawal -- (a) This compact shall enter into force when enacted into law by any five or more states. (b) Any party may withdraw from the compact by enacting a statute repealing the same, but no state may withdraw without two years notice.

12. Construction and Severability -- If any language in the compact that is unconstitutional to any member state or the United States of America, the remainder of the language in the compact shall remain valid and other states shall not be influenced by any such conflict.

**Section 2** provides that this act shall take effect upon becoming law.

#### **IV. Constitutional Issues:**

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

#### **V. Fiscal Impact Statement:**

A. Tax/Fee Issues:

Florida's IPCC membership assessment has been paid in full. The IPCC could further assess member states if the Insurance Fund falls below established standards. Since the establishment of the Insurance Fund in 1968, there have been no such assessments of member states.

B. Private Sector Impact:

There would be a favorable impact due to the funding source that would be available to assist in pest outbreaks. The impact from quarantines and/or crop loss would be reduced for Florida's agricultural producers.

**C. Government Sector Impact:**

There will be a favorable impact for remaining a member in good standing within the IPCC due to the funding resource option the IPCC provides for future new pest and disease outbreaks.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Additional Information:**

**A. Committee Substitute – Statement of Substantial Changes:**  
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

**B. Amendments:**

None.