

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: June 10, 2010
POSITION: Neutral
SPONSOR: California Association of Nursery and Garden Centers

BILL NUMBER: AB 2695
AUTHOR: E. Hernandez
RELATED BILLS: AB 1912 (Evans)

BILL SUMMARY: Nursery Producers Commission

This bill would create the California Nursery Producers Commission (Commission) within state government to develop and manage research, public education, and marketing programs relating to nursery products. This bill would require a positive referendum vote by nursery producers, as specified, in order for the provisions to become operative.

FISCAL SUMMARY

The Commission would be funded by mandatory annual assessments levied on nursery producers who produced and sold nursery products for a gross dollar value of at least \$2.5 million in the preceding marketing season. This bill would create a new annual assessment (to be established by the Commission) that would be levied on specified nursery producers not to exceed six-tenths of one cent (\$0.006) per dollar of sales. The funds would be collected by the Commission and deposited into a non-state bank, which would be consistent with other similar commissions within the state.

The California Department of Food and Agriculture (CDFA) estimates that it would cost approximately \$20,000 to compile a list of eligible producers and to conduct the implementation referendum. Assuming the referendum was successful and the Commission was made operative, the CDFA projects annual oversight costs of approximately \$25,000 to \$30,000. This bill would require the Commission to reimburse the CDFA for all costs incurred in providing statutory oversight of the Commission. This bill also would provide that the proponents of the Commission would cover the costs of the implementation referendum.

COMMENTS

There are currently 56 agricultural marketing programs operating within California under enabling statute within the Food and Agricultural Code. Twenty of these programs are commissions, which operate pursuant to commission laws that contain similar language and provisions to this measure.

The programs are intended to produce economic benefits, such as the expansion of markets and increased sales and competitiveness.

This bill would provide that every five years after the implementation of the Commission, the CDFA's Secretary shall hold a public hearing to determine whether the Commission should be continued. If the Secretary finds that a substantial question exists regarding whether the Commission should be continued, the Secretary shall submit the Commission to a reapproval referendum.

A related bill, AB 1912 (Evans), would create the California Apiary Research Commission with prescribed membership, powers, duties, and responsibilities, and would require a positive referendum vote by beekeepers to activate. This bill is currently set to be heard in the Senate Appropriations Committee.

Analyst/Principal (0222)J. Fitzpatrick Date Assistant Program Budget Manager Nona Martinez Date

Department Deputy Director Date

Governor's Office: By: Date: Position Approved Position Disapproved

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)

AUTHOR

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Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
	LA	(Dollars in Thousands)							
	CO	PROP							
	RV	98	FC	2010-2011	FC	2011-2012	FC	2012-2013	
8570/Food & Ag	SO	No		-----	No/Minor	Fiscal Impact	-----		0111
<u>Fund Code</u>	<u>Title</u>								
0111	Department of Agriculture Account, Ag Fd								