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IN AND OUT OF THE HOPPER

In Georgia

The Georgia General Assembly has passed an act that amends Georgia law relating to the withdrawal, diversion, or impoundment of surface and groundwater by farmers. The legislation offers existing agricultural users of water the opportunity to apply for state permits. These permits would establish priority for the continued use of water based upon previous usage. Given recent drought conditions and competition for water in some areas of the state, these permits offer significant property rights to some producers.

The legislation specifically addresses farm uses of water through permit applications and a classification system based upon time and usage. Farm uses include the irrigation of general agricultural acreage and qualifying recreational turf, and the processing of perishable agricultural products.

Permit applications based upon farm usage of surface and groundwater prior to July 1, 1988, receive special treatment. Essentially, such applications must be granted provided they meet the enumerated requirements. Farmers have 3 years in which to make such applications based on pre-1988 farm usage of water. The amount of usage is based upon the greatest operating capacity during a 5-year period.

Permits for farm uses have no term and may be transferred or assigned. However, such permits may be modified if the quantity of water allowed under the permit prevents other applicants from reasonable use of surface waters for farm use.

Farmers who fail to apply within the 3-year time period, or who have not established water usage prior to July 1, 1988, are subject to a different set of rules. Such permit applications will be evaluated by the Georgia Department of Natural Resources and classified according to a classification system to be developed.

Farm uses of water also receive special consideration in emergencies. Orders issued by the state concerning action to meet an emergency water situation are not effective immediately against farm users, and farm users may continue to make use of water during an appeal process. During emergency periods of water shortage, farm use receives priority after human consumption.

*Contributed by Terence J. Centner
University of Georgia*

In South Carolina

Two major pieces of legislation working their way through the 1988 session of the South Carolina General Assembly are outgrowths of research by agricultural economists at Clemson.

The Local Government Finance Act is a bill that broadens the options available to South Carolina counties and municipalities for raising revenues. Under current law, local governments in South Carolina are limited to property taxes as revenue sources. The bill, originally crafted by Horace W. Fleming, Jr. (Political Science) and James C. Hite (Agricultural Economics) at Clemson, would have provided a menu of rev-

The preparation of this department was coordinated by Robert B. Wharton of Louisiana State University, Baton Rouge.

enue sources available at local option to South Carolina governments. The bill was amended in the House to reduce the menu and now is primarily a local option sales tax bill.

The second bill is a direct outgrowth of research by Mark S. Henry on the distribution of benefits from beach erosion protection projects. The bill provides for special property tax assessments to defray the costs of protection from beach erosion and renourishment in coastal communities. The legislation authorizes creation of special taxing districts in which the special assessments are calibrated to reflect the differentials in benefits realized by property owners from beach protection projects.

*Contributed by James C. Hite
Clemson University*

In Florida

How do state and local governments find necessary funds to provide for educational, administrative, public safety and transportation services? Few states face the unique challenge of Florida's legislature—how to solve the funding dilemma when population is increasing about 900 people/day. This annual growth rate is roughly equivalent to Miami's population in 1980, and since 1970, population has increased over 5.2 million or by the size of Virginia's 1980 population.

In the last year Florida's legislature adopted a sales tax on services, started a statewide lottery, repealed the sales tax on services and increased the state's sales tax levy 20 percent (from 5 percent to 6 percent). All in an attempt to provide revenue for the aforementioned services. The one-cent increase in the general sales tax replaced the repealed service tax, but it is not expected to generate as much revenue. The lottery set national records for first week per-capita sales, and has raised approximately \$174 million more than projected. The beneficiary of this additional revenue is the state's education system which receives 35 cents of each dollar in sales.

How serious is the revenue situation? A taskforce, appointed by the House, estimates \$52 billion is needed to implement the state's comprehensive plan in the next decade. That's in excess of current needs! Current policy options of the legislature are restricted because the state constitution prohibits an income tax, availability of local option taxes are limited, and the state exempts \$25,000 of real property value of primary residences from taxation. The Governor and Legislature continues to wrestle with the issue, with the alternative of bond financing being discussed during the early portion of the current session.

Policy concerns of the state are not limited to revenue issues. Other concerns include land/water, implementation of the comprehensive plan, underground storage tanks and solid waste disposal. In addition, two court cases will be closely monitored. Both address the issue of the "taking of private property"; one associated with land use zoning, the other associated with the destruction of citrus seedlings during the last outbreak of canker.

*Contributed by Rodney L. Clouser
University of Florida*