

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1607-04
Bill No.: Perfected SS for SCS for SB 428
Subject: Agriculture Dept.
Type: Original
Date: April 17, 2007

Bill Summary: Prohibits the Department of Agriculture from participating in the National Animal Identification System (NAIS) without specific statutory authorization to do so.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	(\$529,800)	(\$545,693)	(\$562,064)
0			
Total Estimated Net Effect on General Revenue Fund	(\$529,800)	(\$545,693)	(\$562,064)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Federal Funds	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds*	\$0	\$0	\$0

*Savings and cost are estimated to net to \$0.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	3.7	3.7	3.7
Federal Funding	-3.7	-3.7	-3.7
Total Estimated Net Effect on FTE	0	0	0

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri House of Representatives** and **Missouri Senate** assume no fiscal impact to their agencies.

Officials from **Department of Agriculture (AGR)** assume this proposal would prevent the AGR from participating in a voluntary national animal identification program and could slow the response time to disease threat and cut off markets to Missouri producers. Many of the disease control activities funded by this program would need to continue and be paid for out of state general revenue funding in order to ensure animal disease control.

The analysis assumes that the federal funding received to implement the National Animal Identification System would be replaced by state general revenue funding. Otherwise, the state's animal disease control and eradication efforts and the state's ability to compete in national and international livestock would be seriously impaired.

In addition, the notification requirements contained in section 3 of 261.300 are estimated to cost \$15,000 (15,000 NAIS participants @ \$1 supplies, postage, and handling per letter).

Oversight assumes the cost of disease control activities will continue and be paid for out of state general revenue funding.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
GENERAL REVENUE			
<u>Cost - Department of Agriculture</u>			
Salaries	(\$115,689)	(\$119,159)	(\$122,734)
Fringe Benefits	(\$52,361)	(\$53,931)	(\$55,549)
Equipment & Expense	<u>(\$361,750)</u>	<u>(\$372,603)</u>	<u>(\$383,781)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$529,800)</u>	<u>(\$545,693)</u>	<u>(\$562,064)</u>
Estimated Net FTE Change for General Revenue	3.7	3.7	3.7
<u>FISCAL IMPACT - Federal Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
FEDERAL FUNDS			
<u>Savings - Department of Agriculture</u>			
Salaries	\$115,689	\$119,159	\$122,734
Fringe Benefits	\$52,361	\$53,931	\$55,549
Equipment & Expense	<u>\$361,750</u>	<u>\$372,603</u>	<u>\$383,781</u>
	\$529,800	\$545,693	\$562,064
<u>Loss - Federal Funding</u>	<u>(\$529,800)</u>	<u>(\$545,693)</u>	<u>(\$562,064)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDING	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Estimated Net FTE Change for Federal Funding	-3.7	-3.7	-3.7
<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Yes. The department currently receives approximately \$450,000 federal funding for the National Animal Identification System Initiative.

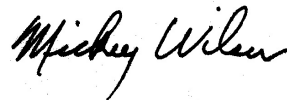
FISCAL DESCRIPTION

The proposed legislation prohibits the Department of Agriculture from participating in the National Animal Identification System (NAIS) without specific authorization to do so and may result in a cost to general revenue.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Agriculture
Missouri House of Representatives
Missouri Senate



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Director
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