

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4116-01
Bill No.: SB 931
Subject: Agriculture Dept.
Type: Original
Date: January 22, 2008

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 2009	FY 2010	FY 2011
General Revenue	(\$359,800)	(\$444,714)	(\$458,055)
Total Estimated Net Effect on General Revenue Fund	(\$359,800)	(\$444,714)	(\$458,055)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
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 2009	FY 2010	FY 2011
Federal Funds	(\$450,000)	(\$450,000)	(\$450,000)
Total Estimated Net Effect on <u>All</u> Federal Funds	(\$450,000)	(\$450,000)	(\$450,000)

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
General Revenue	3.7	3.7	3.7
Total Estimated Net Effect on FTE	3.7	3.7	3.7

- 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 2009	FY 2010	FY 2011
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. This proposal would also require the AGR to change "premises identification" to "property identification" in all regulations, policies, publications or correspondence. This would require the AGR to change publications, regulations, forms, i.e. health papers that have been standardized for program uniformity with other states to promote the movement of livestock and poultry and their products interstate for those citizens who wish to voluntarily participate in the program.

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.

Oversight assumes the loss in federal funding will be similar to what occurred in the Department of Agriculture's response to a similar proposal in 2007 (SB 428, 1607-02) and has included that dollar amount in this fiscal note instead of using an unknown loss amount. The Department of Agriculture has not included any loss of Federal Funding in their response.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
GENERAL REVENUE			
<u>Cost - Department of Agriculture</u>			
Salaries	(\$98,911)	(\$122,254)	(\$125,921)
Fringe Benefits	(\$43,738)	(\$54,061)	(\$55,682)
Equipment & Expense	<u>(\$217,151)</u>	<u>(\$268,399)</u>	<u>(\$276,452)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$359,800)</u>	<u>(\$444,714)</u>	<u>(\$458,055)</u>
Estimated Net FTE Change for General Revenue	3.7	3.7	3.7
<u>FISCAL IMPACT - Federal Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
ESTIMATED NET EFFECT ON FEDERAL FUNDING	<u>(\$450,000)</u>	<u>(\$450,000)</u>	<u>(\$450,000)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Yes. components of the National Animal Identification System are being utilized in current disease control programs. By not allowing participating will/could isolate Missouri producers from marketing opportunities and hinder Missouri's capability in disease eradication and surveillance programs.

This proposal also requires the Department of Agriculture to refer to "premise identification" as "property identification". With this change of wording, Missouri would not be in conformity with the Code of Federal Regulations and other states which could hinder interstate movement of livestock and poultry. Health papers and other associated documents utilized by all states have

FISCAL IMPACT - Small Business (Continued)

been standardized for program uniformity. Missouri variance from these formats could cause confusion by other states in capturing premise identification numbers for Missouri citizens who wish to voluntarily participate in the program.

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



Mickey Wilson, CPA
Director
January 22, 2008