

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1787-06
Bill No.: HCS for SCS for SB 356
Subject: Agriculture and Animals; Agriculture Dept.; Bonds-Surety;
Type: Original
Date: April 27, 2011

Bill Summary: This proposal modifies provisions pertaining to grain dealers and grain warehouses.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	(Unknown more than \$100,000)	(Unknown more than \$100,000)	(Unknown more than \$100,000)
Total Estimated Net Effect on General Revenue Fund	(Unknown more than \$100,000)	(Unknown more than \$100,000)	(Unknown more than \$100,000)

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 23 pages.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Conservation Commission	(Unknown)	(Unknown)	(Unknown)
Parks, Soil and Water	(Unknown greater than \$1,000)	(Unknown)	(Unknown greater than \$1,000)
School District Trust	(Unknown)	(Unknown)	(Unknown)
Livestock Brands Fund	Unknown	Unknown	Unknown
Puppy Protection Trust	Less than \$100,000	Less than \$100,000	Less than \$100,000
Agritourism Fee Fund*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	Unknown to (Unknown greater than \$1,000)	Unknown to (Unknown)	(Unknown to (Unknown greater than \$1,000))

*Revenues and Expenditures net to zero

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
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 2012	FY 2013	FY 2014
Local Government	(Unknown more than \$100,000)	(Unknown more than \$100,000)	(Unknown more than \$100,000)

FISCAL ANALYSIS

ASSUMPTION

Section 21.801 - Joint Committee on Urban Agriculture

Officials from the **Department of Agriculture, Office of the Governor, and Missouri Senate**, assume the proposal would have no fiscal impact on their agencies.

In response to the previous version of this proposal the **Missouri House of Representatives** assumed the proposal would have no fiscal impact on their agencies.

Section 143.1014 - Puppy Protection Check Off

Officials at the **Department of Revenue (DOR)** assume beginning January 1, 2011, each individual or corporation entitled to a tax refund may designate \$1.00 or any amount in excess of \$1.00 on a single return, and \$2.00 or any amount in excess of \$2.00 on a combined return, of the refund due be credited to the puppy protection trust fund.

- This legislation creates the "Puppy Protection Trust Fund."
- The State Treasurer shall be custodian of the fund.
- The State Treasurer may approve disbursements.
- The fund shall be a dedicated fund and, upon appropriation, money in the fund shall be used solely for the administration of Section 273.345.
- The Director of Revenue shall deposit at least monthly all contributions designated by individuals to the State Treasurer for deposit to the fund.
- The Director of Revenue shall deposit all contributions designated by the corporations under this section, less an amount sufficient to cover the costs of collection and handling, to the state treasury for deposit to the fund.
- A contribution designated under this section shall only be deposited in the fund after all other claims against the refund have been satisfied.

The provisions will sunset December thirty-first six years after the effective date unless reauthorized by the General Assembly. The department will need to make form changes.

Officials from the **Department of Agriculture (AGR)** assume it is not possible to predict with any certainty how many individuals would choose the tax refund checkoff for Prop B and the dollar amounts that would be generated. Therefore, although the fiscal impact could be positive, the true fiscal impact is unknown.

ASSUMPTION (Continued)

Officials from the **Office of Administration, Division of Budget and Planning (BAP)** assume this proposal would not result in additional costs or savings to their organization.

BAP officials stated that this proposal would create an income check-off to benefit a fund established in this proposal: the Puppy Protection Trust Fund. Taxpayers could designate a portion of their refund to the fund, and taxpayers could also write a check for donations to the fund.

To the extent the check-off is used, this proposal would increase total state revenues. BAP notes that \$324,237 in designations were made via income tax check-off in FY10.

Oversight assumes that the participation rate and the amount of revenue which would be provided for the Puppy Protection Trust Fund through this proposed check-off program are unknown.

Oversight notes that the Office of Administration, Division of Budget and Planning response indicated a total of \$324,327 in donations for all income tax check-off programs during FY 2010. Oversight reviewed the DOR report of checkoff trust fund collections for the years ended June 30, 2009 and 2010, and noted that only one program had collections in excess of \$100,000 per year. Average collections for the each of the twenty programs in FY 2010 was \$16,600.

For fiscal note purposes, **Oversight** will indicate annual revenue less than \$100,000 for the Puppy Protection Trust Fund. The program would be effective for tax years beginning January 1, 2011, and Oversight assumes the donations would be made from refunds beginning in January, 2012 (FY 2012).

Sections 144.010, 144.020, 144.030, 144.070 - Sales Tax Exemption for Captive Wildlife

Officials at the **Department of Revenue (DOR)** assumes the sales tax exemption for captive wildlife and accessories and upgrades to farm machinery will reduce total state revenue.

Officials from the **Office of Administration, Division of Budget and Planning (BAP)** assume this proposal would not result in additional costs or savings to their organization.

BAP officials assumes this proposal would create a sales tax exemption for sales of captive wildlife and feed products for captive wildlife. This proposal would reduce general and total state revenues, and local revenues by an unknown amount.

ASSUMPTION (Continued)

Officials from the **Department of Conservation (MDC)** assume this proposal would have an unknown negative fiscal impact on their organization. MDC officials deferred to the Department of Revenue for an estimate of the revenue reduction related to this proposal.

Officials from the **Department of Elementary and Secondary Education** defer to the Department of Revenue for an estimate of the fiscal impact for this proposal.

Officials from the **Department of Natural Resources (DNR)** assume this proposal would create a state and local sales tax exemption on the amount paid for non-domestic game birds sold for hunting. This proposal would create a sales tax exemption for the purchase of feed for captive wildlife and for sales of captive wildlife. Adding exemptions from sales tax would have a negative effect on total state revenue.

DNR stated, additional sales tax exemptions would decrease the amount of funding available in the Parks & Soils Sales Tax Funds. These funds have been used for the acquisition and development, maintenance and operation of state parks and historic sites and to assist agricultural landowners through voluntary programs.

Officials from **St. Louis County** assumed that this proposal would reduce their revenues, and assume the loss would not be great but they could not define their sales tax revenue to this level of detail.

In response to the previous version of this proposal, officials from the **City of Raytown** stated that there is no fiscal impact from this proposal that they could easily identify at this time.

In response to the previous version of this proposal, officials from the **City of Richmond** responded to our request for information but did not provide an estimate of fiscal impact.

Officials from the **Parkway School District** assume the impact is unknown, however any reduction in sales taxes as a result of additional exemptions will reduce revenues available to fund public education in Missouri and all school districts could be affected. to some degree.

ASSUMPTION (Continued)

Oversight has no information on the annual sales of captive wildlife or feed for captive wildlife; however, Oversight notes that sales in excess of \$3.333 million would be required to produce \$100,000 in sales and use taxes for the General Revenue Fund. Oversight will indicate an unknown reduction of revenues for the state General Revenue Fund and for those other state funds which receive sales tax revenues, and an unknown revenue reduction for local governments.

Section 144.030 - Sales Tax Exemptions for Certain Farm Equipment

Officials from the **Office of Administration, Division of Budget and Planning (BAP)** assumes this proposal would not result in additional costs or savings to their organization.

BAP officials stated that this proposal would create sales tax exemptions for any freight charges on any exempt item, any costs for fabrication labor in conjunction with the sale of tangible personal property, any accessories for and upgrades to certain farm machinery and equipment, and for rotary mowers used exclusively for agricultural purposes. This proposal would reduce General and Total State Revenues, including education revenues, and local revenues. BAP does not have the necessary data to provide an estimate.

Officials from the **Department of Conservation (MDC)** assumes that this proposal would have an unknown negative fiscal impact, but greater than \$100,000 to their organization, due to the loss of Conservation Sales Tax revenues.

Officials from the **State Tax Commission** assumed this proposal would have no fiscal impact on their organization.

Officials from the **Department of Natural Resources (DNR)** assumed this proposal would authorize state and local sales and use tax exemptions for the sale of any accessories and upgrades to farm machinery and equipment, rotary mowers used exclusively for agricultural purposes, freight charges on exempt items, and any costs for fabrication labor in conjunction with the sale of an item.

DNR officials stated that their Parks and Soils Sales Tax Funds are derived from one-tenth of one percent sales and use tax pursuant to the Missouri Constitution. Therefore, any additional sales and use tax exemption would be a loss to the Parks and Soils Sales Tax Funds.

ASSUMPTION (Continued)

Officials from the **Department of Revenue (DOR)** assume this proposal would add sales and use tax exemptions for:

- * any freight charges on any exempt item, and any costs for fabrication labor in conjunction with the sale of tangible personal property, and
- * any accessories for and upgrades to farm machinery and equipment, rotary mowers used exclusively for agricultural purposes.

DOR officials stated that in FY 2010, total state and local sales tax revenue was approximately \$4.9 billion dollars; the state portion of those collections was approximately \$2.5 billion. DOR estimates that labor as a percentage of sales price could average 4 percent. If fabrication labor is excluded from the sales and use tax base, it could result in a negative impact on Total State Revenue of approximately \$100 million and a negative impact on the General Revenue Fund of approximately \$70 million. The impact related to the other exemptions proposed in this legislation would be minimal.

DOR states, this legislation will reduce state revenues.

Officials from **St. Louis County** assume this proposal would have no fiscal impact on their organization.

Officials from the **Parkway School District** assume the impact is unknown, however any reduction in sales taxes as a result of additional exemptions will reduce revenues available to fund public education in Missouri and all school districts could be affected. to some degree.

Officials from the **City of Kansas City** assume this proposal would have a negative fiscal impact on their organization in an indeterminate amount.

Oversight is not able to determine the revenue reduction which would result from this proposal and will indicate a revenue reduction greater than \$100,000 for the General Revenue Fund and for local governments and an unknown revenue reduction for other state funds which receive sales and use tax revenues.

ASSUMPTION (Continued)

Section 144.527 - Sales Tax Exemption for Farmers Markets

Officials at the **Department of Revenue (DOR)** assumes, the legislation exempts farm products sold at farmer's markets from state and local sales and use tax.

DOR assumes according to a study completed by the Missouri Department of Agriculture, there are estimated annual sales of \$14.5 million at Missouri farmers' markets. Most of the sales are food related and are taxed at the reduced sales tax rate. The estimated state sales tax loss is \$228,000. Local governments would also have a negative impact.

DOR states, this legislation will reduce state revenues.

Officials from the **Department of Conservation (MDC)** assume this proposal could have a fiscal impact on MDC funds; however, MDC was not able to provide an estimate of the impact and deferred to the Department of Revenue for that estimate. MDC officials assume the impact would be less than \$100,000 per year.

Officials from the **Department of Agriculture**, assume this proposal would have no fiscal impact on their organizations.

In response to the previous version of this proposal, the **City of Centralia** assumed this proposal would have no fiscal impact on their organizations.

Officials from **St. Louis County** assumed the loss to their organization would not be great.

Officials from the **Parkway School District** assume the impact is unknown, however any reduction in sales taxes as a result of additional exemptions will reduce revenues available to fund public education in Missouri and all school districts could be affected. to some degree.

Oversight was not able to locate information regarding aggregate sales for farmers' markets in Missouri and will indicate an unknown impact to the General Revenue Fund, to other state funds which receive sales tax revenues, and to local governments.

ASSUMPTION (Continued)

Section 262.005 - Right to Raise Livestock

Officials at the **Department of Agriculture** assume there is no fiscal impact from this proposed legislation.

In response to the previous version, officials at the **Office of the Attorney General (AGO)** assumed that any potential costs relating to implementation of the proposal could be absorbed with existing resources. Since the proposal could be the subject of litigation, the AGO assumed that costs are unknown. If significant cases result over time, the AGO will seek an additional appropriation in the future.

Oversight assumes there is no fiscal impact from this proposed legislation.

Sections 263.190, 263.200, 263.220, 263.240 - Noxious Weeds

Officials at the **Department of Natural Resources (DNR)** assumes the proposed legislation seeks to define noxious weed as those designated by rule by the Department of Agriculture.

DNR states, this proposal would allow the adjoining or aggrieved entities to take civil action against a landowner for not controlling the spread of any designated noxious weed.

DNR states, the **Division of State Parks (DSP)** operates 85 parks and historic sites in Missouri. Management of the parks includes controlling noxious weeds. This proposal appears to be trying to bring consistency to the rules governing the control of noxious weeds. This proposal may require additional operating costs for some of our parks if DSP was required to engage in more multiflora or thistle weed control.

DNR assumes, this proposal could impact DSP if we need to engage in more multiflora or thistle control. However, DSP would anticipate any additional costs to be minimal.

Officials at the **Office of Administration - Division of Facilities Maintenance, Design and Construction** assumes it is impossible to estimate the fines associated with noxious weeds left unattended on state owned property, therefore we have estimated the possible cost as zero to a possible excess of \$100,000.

ASSUMPTION (Continued)

Officials at the **Department of Conservation** assumes the fiscal impact is unknown as costs are dependent upon the cost of chemicals and labor needed to control problem plants and species added to the noxious plant list.

In response to the previous version of this proposal, officials at **Northwest Missouri State University** estimated this proposal would result in \$2,000 in additional chemical costs annually to the university.

Officials at the **City of Kansas City** state, that the provisions on sales tax exemptions and noxious weeds in this legislation could have a negative fiscal impact on the city in an indeterminate amount.

Officials at the **Department of Elementary and Secondary Education** state the impact from this proposal is unknown.

Officials at the **Linn State Technical College** stated the impact from this proposal is unknown.

Oversight assumes any fiscal impact associated with this proposal for state agencies and local political subdivisions would be minimal and could be absorbed by the state agency or local political subdivision with existing resources.

Officials at the **Department of Agriculture, Department of Transportation, Parkway School District, and Department of Elementary and Secondary Education** assumes there is no fiscal impact from this proposed legislation.

In response to the previous version of this proposal, **Office of State Courts Administrator, State Public Defender's Office, City of Raytown, St. Louis County Government, University of Central Missouri, Missouri Western State University, Metropolitan Community College, Missouri State University Lincoln University, and Missouri Southern State University** assumed there was no fiscal impact from this proposed legislation.

ASSUMPTION (Continued)

Section 268.121 - Livestock Brand Book

Officials at the **Department of Agriculture (AGR)** assumes this proposal removes the requirement that the Department print a livestock brands book and instead requires the list to be available on the internet.

AGR states, there will be costs associated with making the brand book available on-line and the on-going maintenance and updating of the on-line brand book. However, those costs are not expected to exceed the printing and postage savings associated with this legislation.

AGR states, the Division of Animal Health has an E&E appropriation to pay printing and postage expenses of the Livestock Brands book from the Livestock Brands Fund.

AGR states, the department would save the printing and postage costs of the livestock brands book (printed once every 5 years) and the yearly supplements (in years when a new brand book isn't printed).

AGR states, the livestock brands book is printed once every 5 years. It was last printed in FY10 at a cost of \$8,705. Associated postage costs were \$1,876 in FY10, bringing total costs for printing and postage to \$10,581.

AGR states, a new livestock brands book will not be printed until FY15. However, an annual supplement to the brands book is printed each year at a cost of approximately 5 percent of the new book. Therefore, only the costs of the supplement ($\$10,581 \times 5\% = \529) will be saved in FY11 through FY14. In FY15 total costs of approximately \$11,000 would be avoided as a result of this legislation.

AGR assumes there will be IT costs associated with moving the document to the internet along with on-going maintenance and update expenses. The exact dollar amount of those costs is unknown but for purposes of this fiscal note they are assumed to not exceed annual savings from not printing the supplement.

AGR states, livestock brand registration fees and brand book sales revenues are deposited into the Livestock Brands Fund. Those fee revenues are used to pay for the printing and postage costs of this program. Although there will be a reduction in fee revenues due to the on-line availability of the brand book, the Department expects cost savings to offset most if not all of the revenue reductions.

ASSUMPTION (Continued)

Oversight assumes, as a result of this proposal, the Department of Agriculture would experience an unknown savings to the Livestock Brands Fund, related to the Livestock Brands Book and annual supplemental's availability online.

Oversight assumes the majority of the savings related to this proposal will be experienced outside of the fiscal note period in FY15, and every five years thereafter. However, an unknown savings to the Livestock Brands Fund, related to the cost of printing and mailing the annual supplemental, would occur within the fiscal note period.

Sections 275.360 and 276.401 - Refund of Fees and "Missouri Grain Dealer Law"

Officials at the **Department of Agriculture** state section 275.360 relates to the Commodity Council Merchandising fees and refunds. Commodity merchandising councils are authorized to contract with the Department of Agriculture to collect commodity merchandising program fees (i.e. checkoffs) under Section 275.350. All fees collected by the Department, other than for administrative costs, shall not be considered state funds (275.350.5(1)). Therefore the addition of rice to 275.360 does not have any impact on state funds.

Officials at the **Department of Agriculture (AGR)** state section 276.401 relates to Grain Dealer Law. The change is being made from \$100,000 DOLLARS to 50,000 BUSHELs, which changes both the quantity and the units. The effect is to increase the dollar amount of grain a person can buy for his own feeding purposes and still be exempt from obtaining a grain dealer license. The change is needed to account for modern grain prices, which are much higher (about 3 times) than they were when the law was originally written. AGR assumes there is no fiscal impact from this proposed legislation.

Oversight assumes there is no fiscal impact related to the refund of fees and Missouri grain dealers.

Sections 276.421, 276.436, 276.441, 411.280 - Grain Dealers and Grain Warehouses

Officials at the **Department of Agriculture** assumes there is no fiscal impact related to this section.

Oversight assumes there is no fiscal impact from this proposed legislation on state or local government funds.

ASSUMPTION (Continued)

Sections 537.850 - 537.862 - Agritourism Promotion Act

Officials at the **Department of Agriculture (AGR)** assumes and unknown fiscal impact. The number of participants, amount of administration required, database management, and fees collected cannot be determined with any certainty. The registration fee may cover the costs of signage placement, maintenance, and any Department promotion and publication costs.

Officials at the **Department of Natural Resources (DNR)** assumes this proposal allows for any person engaged in the business of providing one or more agritourism activities to register with the Department of Agriculture. Registration fee is \$100 per two-year period.

DNR states the proposal would define agritourism activity as any activity which allows members of the general public for recreational, entertainment, or educational purposes to view or enjoy rural activities, including but not limited to farming activities, ranching activities, or historic, cultural, or natural attractions.

DNR states this proposal would allow any person engaged in the business of providing one or more agritourism activities to register for a two-year period with the Department of Agriculture including a \$100 registration fee. Registration would contain information describing the tourism activity, and the location of such activity.

DNR states the proposed legislation would require every registered agritourism location to post and maintain signage which contains a warning notice regarding liability. Signage defined in this proposal would have a cost of \$50.00 per sign.

DNR states, should the department's Division of State Parks (DSP) elect to register each site, a registration fee of \$100 would be required every two years for each participant site. Additionally, at each site where the agritourism activity takes place, signage would be required as defined in this proposal. DSP estimates ten historic sites may elect to participate.

DSP assumed for purposes of this fiscal note that 10 historic sites may elect to participate at a cost of \$100 registration fee per site for a two year period and a one-time cost of the signage estimated at \$50 per sign.

DSP assumes that should historic sites elect to register as an registered agritourism operator, the costs associated with this proposal for registration and signage would be minimal.

DSP assumes the following estimated costs: FY 2012 - \$1,500, FY 2013 - \$0, FY 2014 - \$1,000

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ASSUMPTION (Continued)

Oversight assumes this proposal will have an unknown cost to general revenue for administration, signs, maintenance, promotion and publication of the Agritourism Promotion Act.

Oversight assumes the Department of Agriculture can assess a registration fee up to \$100 to cover all costs related to administration, signs, maintenance, promotion, and publication.

Oversight assumes that revenues received by the proposed "Agritourism Fee Fund" will equal costs associated with the Agritourism Promotion Act resulting in a net fiscal impact of zero to the "Agritourism Fee Fund".

Oversight assumes DSP will have an unknown cost to register historic sites depending on whether they choose to register as an agritourism site.

Oversight assumes all fees paid to AGR will cover the cost of signs.

Officials at the **Department of Conservation** assumes there is no fiscal impact from this proposed legislation.

Bill as a Whole

Officials at the **Department of Revenue** state, due to budget constraints, reduction of staff and the limitations within the department's tax systems, changes from this proposal cannot be made without significant impact to the department's resources and budget. Therefore, the IT portion of the fiscal impact is estimated with a level of effort valued at \$17,808. The value of the level of effort is calculated on 672 FTE hours.

Oversight assumes that ITSD-DOR is provided with core funding to handle a certain amount of activity each year, and that ITSD-DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, ITSD-DOR could request funding through the appropriation process.

Officials from the **Office of the Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the Secretary of State's Office for Administrative Rules is less than \$2,500.

ASSUMPTION (Continued)

The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials at the **Department of Economic Development Division of Tourism, Department of Transportation, State Treasurer’s Office, and University of Missouri** assumes there is no fiscal impact from this proposed legislation.

Oversight assumes that the overall impact of this proposal will have an unknown negative impact on state and local revenues.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
GENERAL REVENUE FUND			
<u>Revenue Reduction</u> - sales tax exemptions - farm equipment (144.030)	(More than \$100,000)	(More than \$100,000)	(More than \$100,000)
<u>Revenue Reduction</u> - sales tax exemptions - captive wildlife (144.010 - 144.525)	(Unknown)	(Unknown)	(Unknown)
<u>Revenue Reduction</u> - sales tax exemptions - farmers markets (144.527)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT OF GENERAL REVENUE FUND	<u>(Unknown more than \$100,000)</u>	<u>(Unknown more than \$100,000)</u>	<u>(Unknown more than \$100,000)</u>

**CONSERVATION COMMISSION
 FUND**

<u>Revenue Reduction</u> - sales tax exemptions - farm equipment (144.030)	(Unknown)	(Unknown)	(Unknown)
<u>Revenue Reduction</u> - sales tax exemptions - captive wildlife (144.010 - 144.525)	(Unknown)	(Unknown)	(Unknown)
<u>Revenue Reduction</u> - sales tax exemptions - farmers markets (144.527)	(Unknown)	(Unknown)	(Unknown)

**ESTIMATED NET EFFECT ON
 CONSERVATION COMMISSION
 FUND** (Unknown) (Unknown) (Unknown)

PARKS, SOIL, AND WATER FUND

<u>Revenue Reduction</u> - sales tax exemptions - farm equipment (144.030)	(Unknown)	(Unknown)	(Unknown)
<u>Revenue Reduction</u> - sales tax exemptions - captive wildlife (144.010 - 144.525)	(Unknown)	(Unknown)	(Unknown)
<u>Revenue Reduction</u> - sales tax exemptions - farmers markets(144.527)	(Unknown)	(Unknown)	(Unknown)

<u>Cost</u> - Agritourism Registration Fee (537.850-537.862)	<u>(\$1,000)</u>	<u>\$0</u>	<u>(\$1,000)</u>
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**ESTIMATED NET EFFECT ON
 PARKS, SOIL, AND WATER FUND** (Unknown
 greater than
 \$1,000) (Unknown) (Unknown
 greater than
 \$1,000)

SCHOOL DISTRICT TRUST FUND

<u>Revenue Reduction</u> - sales tax exemptions - farm equipment (144.030)	(Unknown)	(Unknown)	(Unknown)
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<u>Revenue Reduction</u> - sales tax exemptions - captive wildlife (144.010 - 144.525)	(Unknown)	(Unknown)	(Unknown)
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<u>Revenue Reduction</u> - sales tax exemptions - farmers markets (144.527)	(Unknown)	(Unknown)	(Unknown)
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ESTIMATED NET EFFECT ON SCHOOL DISTRICT TRUST FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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PUPPY PROTECTION TRUST FUND

<u>Revenue</u> - donations (143.1014)	<u>Less than \$100,000</u>	<u>Less than \$100,000</u>	<u>Less than \$100,000</u>
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ESTIMATED NET EFFECT ON PUPPY PROTECTION TRUST FUND	<u>Less than \$100,000</u>	<u>Less than \$100,000</u>	<u>Less than \$100,000</u>
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LIVESTOCK BRANDS FUND

<u>Revenue</u> - Paper Copy Livestock Brands Books Sold (268.121)	Unknown	Unknown	Unknown
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<u>Savings</u> - Free Printed Livestock Brands Books Available on Internet (268.121)	Unknown	Unknown	Unknown
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<u>Cost</u> - Website Maintenance and Updates (268.121)	(Unknown)	(Unknown)	(Unknown)
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ESTIMATED NET EFFECT ON LIVESTOCK BRANDS FUND	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
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AGRITOURISM FEE FUND

<u>Revenue</u> Agritourism Registration Fees	Unknown	Unknown	Unknown
<u>Cost</u> - Dept. of Agriculture (537.850-537.862)			
Administration	(Unknown)	(Unknown)	(Unknown)
Signs	(Unknown)	(Unknown)	(Unknown)
Maintenance/Promotion	(Unknown)	(Unknown)	(Unknown)
Total Cost - AGR	(Unknown)	(Unknown)	(Unknown)

**ESTIMATED NET EFFECT ON
 AGRITOURISM FEE FUND**

	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT</u> - Local Government	<u>FY 2012</u> (10 Mo.)	<u>FY 2013</u>	<u>FY 2014</u>

LOCAL GOVERNMENTS

<u>Revenue Reduction</u> - sales tax exemptions (144.030)	(More than \$100,000)	(More than \$100,000)	(More than \$100,000)
<u>Revenue Reduction</u> - sales tax exemptions (144.010 - 144.525)	(Unknown)	(Unknown)	(Unknown)
<u>Revenue Reduction</u> - sales tax exemptions (144.527)	(Unknown)	(Unknown)	(Unknown)

**ESTIMATED NET EFFECT ON
 LOCAL GOVERNMENTS**

	<u>(Unknown more than \$100,000)</u>	<u>(Unknown more than \$100,000)</u>	<u>(Unknown more than \$100,000)</u>
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FISCAL IMPACT - Small Business

Direct fiscal impact to small agricultural businesses and farms would be expected as a result of this proposal.

FISCAL DESCRIPTION

Section 143.1014 - Puppy Protection Check Off - The proposed legislation would authorize a checkoff for the Department of Agriculture for activities related to administering Proposition B provisions on puppy mills.

Sections 144.010, 144.020, 144.030, 144.070 - Sales Tax Exemption for Captive Wildlife -

This act creates state and local sales and use tax exemptions for sales of captive wildlife and all sales of feed for captive wildlife including liming and fertilizing crops which when harvested will be fed to captive wildlife that will be sold ultimately in processed form at retail. The act also repeals two incorrect inter-sectional references contained in Chapter 144.

Section 144.030 - Sales Tax Exemptions for Certain Farm Equipment - This bill exempts from state and local sales and use taxes the sale of any accessories and upgrades to farm machinery and equipment, rotary mowers used exclusively for agricultural purposes, freight charges on exempt items, and any costs for fabrication labor in conjunction with the sale of an item.

Section 144.527 - Sales Tax Exemption for Farmers Markets - This bill authorizes a state and local sales and use tax exemption for specified farm products sold at a farmers' market.

Section 268.121 - Livestock Brand Book - Currently, the Director of the Department of Agriculture must publish a list of all livestock brands in a book form and send a copy of the book and any supplement to the county recorder of deeds in each county and to each licensed livestock market and slaughter plant in the state. This bill removes this requirement and instead requires the department director to create a list and make it available on a publicly accessible web site. The list must be updated from time to time.

Sections 537.850 - 537.862 - Agritourism Promotion Act - This bill establishes the Agritourism Promotion Act which allows for the registration of any person who is engaged in a business which provides agritourism activities in Missouri. In its main provisions, the bill:

(1) Defines "agritourism activity" as any activity which allows the general public for recreational, entertainment, or educational purposes to view or enjoy rural activities including, but not limited to, farming and ranching activities or historic, cultural, or natural attractions;

(2) Defines "inherent risks of a registered agritourism activity" as dangers or conditions which are an integral part of an agritourism activity including the potential of a participant to act in a negligent manner that may contribute to injury to the participant or others;

FISCAL DESCRIPTION (Continued)

(3) Allows any person who is engaged in a business providing an agritourism activity to register with the Director of the Department of Agriculture. The registration must contain a description of the agritourism activity he or she conducts or intends to conduct and the location where the activity will be conducted;

(4) Specifies that the registration is for a period of two years and a fee of up to \$100 may be imposed on an applicant to cover the actual administrative costs associated with registration and the placement and maintenance of directional signage;

(5) Requires the department to maintain and make available to the public a list of all registered agritourism operators, the registered agritourism activities conducted by each operator, and the registered agritourism location;

(6) Requires the department to promote and publicize registered agritourism operators, activities, and locations by promoting and encouraging tourism;

(7) Requires every registered agritourism operator to post and maintain signage at the agritourism location which contains a specified warning notice that there is no liability for certain injuries or the death of a participant in a registered agritourism activity;

(8) Specifies that any participant is assuming certain inherent risks when participating in an agritourism activity;

(9) Specifies that a registered agritourism operator is not liable for an injury to or the death of a participant resulting from the inherent risks of agritourism activities if the warning is posted as required unless the injury to the participant was by willful or wanton conduct or the operator failed to make a dangerous condition known to a participant and the condition resulted in an injury;

(10) Specifies that the operator has an affirmative defense to liability if the injured person deliberately disregarded conspicuously posted signs, verbal instructions, or other warnings regarding safety measures during the activity or if any equipment, animals, or appliances used by the injured person during the activity were used in a manner or for a purpose other than that for which a reasonable person should have known they were intended; and

FISCAL DESCRIPTION (Continued)

(11) Creates the Agritourism Fee Fund consisting of registration fees and moneys appropriated to the fund to be used solely for the placement and maintenance of directional signage and the administration of the provisions of the bill.

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

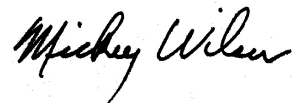
SOURCES OF INFORMATION

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St. Louis County Government
University of Central Missouri
Missouri Southern State University
Parkway School District
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Linn State Technical College
City of Raytown
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City of Richmond



Mickey Wilson, CPA
Director
April 27, 2011