

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1511-01
Bill No.: Perfected SB 342
Subject: Agriculture and Animals; Banks and Financial Institutions
Type: Original
Date: April 10, 2013

Bill Summary: This proposal increases the maximum amount for which the Missouri Agricultural and Small Business Development Authority may issue a livestock feed and crop input loan guarantee from \$40,000 to \$100,000.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue*	\$0	\$0	\$0
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

* Increases the states overall financial exposure from \$20,000 to \$50,000 per loan.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
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 2014	FY 2015	FY 2016
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§ 348.521 - Livestock Feed and Crop Loan Guarantee:

Officials from the **Department of Agriculture** and **Department of Economic Development** each assume the proposal would not fiscally impact their respective agencies.

Oversight assumes this proposal permits the Missouri Agricultural and Small Business Development Authority to increase the maximum livestock feed and crop input loan guarantees from \$40,000 to \$100,000.

Oversight assumes in the event of a default on a livestock feed and crop input loan, the State of Missouri will provide a 50% first loss guarantee for the purchase of livestock feed used to produce livestock or inputs used to produce livestock feed. Currently the state liability is \$20,000 per loan and this proposal will increase the state's liability to \$50,000 per loan.

Oversight assumes any livestock feed and crop input loan default would have a direct impact on the state General Revenue Fund. However, since the program's inception, no loan default has occurred. Therefore, **Oversight** assumes no direct fiscal impact on state or local government funds, but the proposal would increase the state's overall financial exposure.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

Direct fiscal impact to small business farmers could result from this proposal.

FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

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
Department of Economic Development



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Acting Director
April 10, 2013