

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1740-01
Bill No.: SB 373
Subject: Agriculture and Animals; Agriculture Department
Type: Original
Date: March 12, 2013

Bill Summary: This proposal modifies fees relating to agricultural weights and measures.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue*	\$38,333	\$94,000	\$94,000
Total Estimated Net Effect on General Revenue Fund	\$38,333	\$94,000	\$94,000

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

* Fees will be set to cover costs of the program replacing existing general revenue.

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 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

§§ 323.100 and 413.225 - Propane meters and metrology lab fees:

Officials from the **Department of Agriculture (AGR)** assume the propane meter and metrology laboratory programs will become self sufficient from fees collected and deposited to the Agriculture Protection fund (APF) as a result of this proposal. All program costs will be appropriated from the APF resulting in a savings to general revenue.

AGR assumes the following changes to propane meter and metrology lab fees.

Propane Meters:

Propane meter fees will increase from \$10/meter to \$50/meter on January 1, 2014.

Estimated FY14 revenue increase for APF = 433 propane meters (one-third of total will be inspected in the first 6 months) X \$40/meter additional revenue = \$17,333

FY15 and FY16 revenues = 1,300 meters X \$40/meter additional revenue = \$52,000

Metrology Laboratory:

Metrology calibration fees will increase from \$60/hour to \$120/hour on January 1, 2014.

Estimated FY14 revenue increase for APF = 350 hours X \$60/hour additional revenue = \$21,000.

FY 15 and FY16 revenues = 700 hours X \$60/hour additional revenue = \$42,000.

AGR state the APF revenues are estimated to increase by \$38,333 in FY14 and by \$94,000 in FY15 and FY16. These increased fee revenues will replace general revenue currently used by AGR to operate these programs.

Oversight assumes the Director of Agriculture will set fees to cover the cost of the propane meter and metrology lab fees resulting in a savings to general revenue equal to the increased fee revenue set by AGR.

This proposal could increase Total State Revenues.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
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GENERAL REVENUE FUND

Savings - AGR

§§ 323.100 and 413.225 - Reduced general revenue appropriation for weights and measures programs	<u>\$38,333</u>	<u>\$94,000</u>	<u>\$94,000</u>
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ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>\$38,333</u>	<u>\$94,000</u>	<u>\$94,000</u>
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**AGRICULTURE PROTECTION
FUND**

Revenue - AGR

§§ 323.100 and 413.225 - Increased fee revenue for Propane Meters and Metrology lab programs	\$38,333	\$94,000	\$94,000
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Cost - AGR

§§ 323.100 and 413.225 - Operating expense of Propane Meters and Metrology lab programs	<u>(\$38,333)</u>	<u>(\$94,000)</u>	<u>(\$94,000)</u>
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ESTIMATED NET EFFECT ON THE AGRICULTURE PROTECTION FUND	<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

Small businesses that pay metrology and propane meter fees may now have to pay these fees at a higher rate.

FISCAL DESCRIPTION

§§ 323.100 and 413.225 - Propane meters and metrology lab fees:

Currently, laboratory fees for metrology calibrations are computed to the nearest hour. This proposal modifies this to the nearest one quarter hour. Beginning January 1, 2014, this proposal removes the fee schedule cap and allows the Director of Agriculture to set the testing fee at a rate to cover expenses for the upcoming year.

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



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March 12, 2013