

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2330-01
Bill No.: SB 520
Subject: Agriculture Department; Fees; Motor Fuel; Weights and Measures
Type: Original
Date: April 7, 2015

Bill Summary: This proposal modifies the per barrel fee for the inspection of certain motor fuels.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Petroleum Inspection Fund	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Oversight was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

§ 414.082 - Per Barrel Fee for Inspection of Motor Fuels:

Oversight assumes currently, the fee for the inspection of certain motor fuels for the Department of Agriculture (AGR) is used for expenses to administer the program. The fee cannot be less than 1.5 cents per barrel and cannot exceed 2.5 cents per barrel. The Department of Revenue (DOR) sets the per barrel fee, after receiving an expense report from AGR, for the ensuing calendar year. DOR sets the fee to not yield revenue greater than the costs of administering the program.

Oversight notes, according to the State Treasurer's Office, the balance of the Petroleum Inspection Fund (0662) was \$1,359,777.62 on March 31, 2015. March receipts to the fund totaled \$203,620.67 and disbursements totaled (\$133,622.36).

Oversight assumes this proposal would increase the maximum per barrel fee to 5 cents per barrel. Without responses from the Department of Agriculture and the Department of Revenue regarding the fees that are currently being charged, Oversight will show a potential unknown positive fiscal impact to the Petroleum Inspection Fund from this proposal.

Officials from the **Department of Natural Resources** and **State Treasurer's Office** each assume the proposal would not fiscally impact their respective agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
PETROLEUM INSPECTION FUND			
<u>Income - AGR</u>			
§ 414.082 - Increase in per barrel fee for motor fuel inspections	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
ESTIMATED NET EFFECT TO THE PETROLEUM INSPECTION FUND	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

§ 414.082 - Per Barrel Fee for Inspection of Motor Fuels:

Direct fiscal impact to small businesses engaged in the sale of certain motor fuels could be expected as a result of this proposal.

FISCAL DESCRIPTION

§ 414.082 - Per Barrel Fee for Inspection of Motor Fuels:

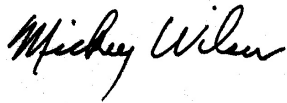
Currently, the fee for the inspection of certain motor fuels shall not be less than 1.5 cents per barrel and shall not exceed 2.5 cents per barrel. Under this proposal, the fee shall not be less 2.5 cents per barrel and shall not exceed 5 cents per barrel.

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

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SOURCES OF INFORMATION

Department of Natural Resources
State Treasurer's Office



Mickey Wilson, CPA
Director
April 7, 2015

Ross Strobe
Assistant Director
April 7, 2015