

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4229-01  
Bill No.: Perfected SB 655  
Subject: Agriculture and Animals; Agriculture Department; Boards, Commissions, Committees, Councils; Fees; Soil Conservation  
Type: Original  
Date: February 2, 2016

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Bill Summary: This proposal repeals the Advisory Council to the Director of the Missouri Agriculture Experiment Station and establishes the Fertilizer Control Board.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials at the **Office of Administration - Budget and Planning** state the current law authorizes fertilizer permit fees to be set within prescribed statutory limits by the director of the Missouri agricultural experiment station at the University of Missouri-Columbia College of Agriculture, Food and Natural Resources. The bill transfers that power to a new board that the bill creates to replace the program's current advisory board. The new board would have no more latitude to set fees than is currently the case for the director. This transfer of power should not affect calculations either for 18e or TSR.

The current law also establishes how penalties for noncompliance are to be calculated. The bill leaves those provisions in place, but does place new upper limits on the amount of penalties that can be assessed per year and per offense. These upper limits would not affect 18e calculations but could decrease TSR calculations by an unknown amount. Budget and Planning defers to the Agriculture Experiment Station for a specific estimate of the bill's fiscal impact.

Officials at the **University of Missouri System - Office of Academic Affairs, Research and Economic Development** assume passage of this legislation would not impact the collection of fertilizer fees, about \$1.25M per annum, by the Director of the Missouri Agricultural Experiment Station (MOAES). It would; however, change the authority for the allocations of these funds from the MOAES Director to a newly established Fertilizer Control Board. Loss of this authority could negatively impact funds the MOAES uses to support the fertilizer inspection service and the MOAES Chemical Lab. Additionally, funds used to underwrite an annual competitive research program to support the fertilizer industry and Missouri's farmers might be impacted.

Loss of this allocation authority could severely impact the ability of the MOAES to meet its inspection and reporting responsibilities under the Agricultural Liming Materials Law (RSMo 266.500 to 255.550).

Officials at the **Office of the Secretary of State (SOS)** state 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 SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes 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 the office can sustain with the core budget.

ASSUMPTION (continued)

Therefore, the SOS reserves 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.

In response to a previous version, officials at the **Department of Agriculture** and **Department of Health and Senior Services** each assume this proposal will not have a fiscal impact on their respective organizations.

Senate Amendments 1- 3

Officials at the **Department of Natural Resources** assume this proposal will not have a fiscal impact on their organization.

Officials at the **Attorney General's Office** assume that any potential costs arising from this proposal can be absorbed with existing resources. The AGO may seek additional appropriations if this proposal, in conjunction with other legislative changes, results in the need for additional resources.

**Oversight** will not show a fiscal impact to the Attorney General's Office under the assumption; if necessary, additional resources could be pursued through the appropriation process.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

## FISCAL DESCRIPTION

This act repeals the Advisory Council to the Director of the Missouri Agriculture Experiment Station and establishes the Fertilizer Control Board. The Board shall be composed of 13 members, 5 of which shall be nominated by the nonprofit corporation organized under Missouri law to promote the interests of the fertilizer industry, 5 of which shall be nominated by Missouri not-for-profit corporations that represent farmers, and 3 shall be at-large members. The filling of vacancies, the selection of officers, and meeting conduct shall be outlined in the bylaws established by the Board. The Board shall perform certain criteria as set forth in this act. Agents of the Fertilizer Control Board are also authorized to perform certain duties as set forth in this act.

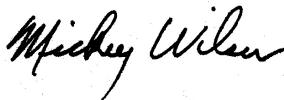
Where a preliminary analysis shows that a fertilizer has a potential plant food deficiency, the distributor shall be provided notification within 2 business days by phone or email, in addition to a letter delivered by mail. Once the analysis is certified, a certification of the penalties assessed shall be mailed to the distributor liable for the penalty. Under this act, total penalties assessed to a fertilizer distributor shall not exceed \$5,000 per year, or the amount of the current value of the plant food deficiency, whichever is greater. A fertilizer distributor who knowingly violates provisions of law relating to fertilizers shall be assessed a penalty of not more than \$25,000 for each offense.

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 Natural Resources  
Office of Administration - Budget and Planning  
University of Missouri  
Office of Secretary of State  
Department of Agriculture  
Department of Health and Senior Services  
Attorney General's Office



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