

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4848-01
Bill No.: Perfected SB 665
Subject: Agriculture and Animals; Agriculture Department; Boards, Commissions, Committees, Councils; Business and Commerce; Fees.
Type: Original
Date: February 24, 2016

Bill Summary: This proposal allows the AgriMissouri Advisory Commission to establish a fee for sellers electing to use the AgriMissouri trademark so long as the fees do not yield revenue greater than administering the objectives of the Commission and the trademark.

FISCAL SUMMARY

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

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

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

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

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
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 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§ 261.235 - AgriMissouri Trademark Fee:

Officials from the **Department of Agriculture (AGR)** assume the proposal would not fiscally impact their agency.

In response to a similar proposal from 2015 (SB 361) AGR stated they do not receive any revenue from the use of the AgriMissouri trademark because there is no way to determine the gross annual sales of products carrying the trademark.

AGR assumed the commission is authorized to establish a new fee structure under this proposal as long as the fees established and collected do not exceed the costs of the program. However, there is no way to determine what fee structure will be established by the commission or the number of businesses that will utilize the trademark and pay the fees once the new fee structure is established. Therefore the additional revenues from this proposal are unknown.

AGR noted AgriMissouri administrative costs are 5.00 FTE and related E&E for a total of \$480,126.

AGR assumed the new fee structure if effective in generating revenues, the revenue generated from the fees could not exceed that level under this proposal.

	<u>AgriMissouri</u>
PS	= \$252,066 (5.00 FTE)
Fringe benefits	= \$111,019
<u>EE</u>	<u>= \$117,041</u>
Total costs	= \$480,126

Oversight notes an AgriMissouri trademark fee is not currently assessed by the AgriMissouri Advisory Commission. The AgriMissouri program currently receives fund appropriations from the Agriculture Protection Fund.

Oversight assumes should a fee be established by the AgriMissouri Advisory Commission that does not yield revenues greater than the administration of the program, funds collected or appropriated for AgriMissouri, would be paid from the AgriMissouri Fund.

ASSUMPTION (continued)

Oversight assumes this proposal will have no direct fiscal impact on the Agriculture Protection Fund and the AgriMissouri Fund since no AgriMissouri trademark fee has been established.

Oversight notes that the AgriMissouri Fund (0897) did not have a balance at June 30, 2015, or December 31, 2015.

Officials at the **Joint Committee on Administrative Rules**, and **Department of Economic Development - Tourism** each assume this proposal will not have a fiscal impact on their respective organizations.

Officials from 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. 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.

<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.

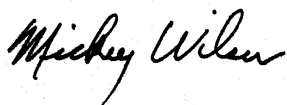
FISCAL DESCRIPTION

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 - Tourism
Office of Secretary of State
Joint Committee on Administrative Rules



Mickey Wilson, CPA
Director
February 24, 2016

Ross Strobe
Assistant Director
February 24, 2016