

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0071-04  
Bill No.: HCS for HB 662  
Subject: Agriculture; Agriculture, Department of  
Type: Original  
Date: February 9, 2017

Bill Summary: This proposal changes the laws regarding the misuse of herbicides.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
General Revenue	(Greater than \$299,621)	(Greater than \$102,500)	(Greater than \$105,063)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(Greater than \$299,621)</b>	<b>(Greater than \$102,500)</b>	<b>(Greater than \$105,063)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<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 2018</b>	<b>FY 2019</b>	<b>FY 2020</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 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
General Revenue	3 FTE	0 FTE	0 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>3 FTE</b>	<b>0 FTE</b>	<b>0 FTE</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 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
Local Government	\$0	\$0	\$0

## FISCAL ANALYSIS

### ASSUMPTION

Officials at the **Department of Agriculture (AGR)** assume this proposal would have a negative fiscal impact on their organization based on the following information provided.

AGR states, the bill will increase work for the pesticide program by requiring additional pesticide product registration research, data maintenance, enhancements to our existing database system, enforcement guidelines, and enforcement actions.

AGR assumes that initial classification of all state registered pesticides would require 6,000 hours of research and data classification (3 FTEs for one year or 6 FTEs for 6 months). Initial registration impact: 6,000 hours X \$30.77 salary and fringe per hour = \$184,620.

It is assumed that the bill will require an unknown number of hours to initiate and maintain the increased enforcement guidelines, training program management, inspection time, case preparation, enforcement actions, and adjudication efforts.

It is assumed that the bill will require ten additional enforcement hearings per year at an average cost of \$10,000 per hearing = \$100,000.

Approximately \$15,000 will be needed to update the MOPlants computer system to enable increased product registration classification, inspection, and investigation capabilities = \$15,000.

Total fiscal impact = \$299,621 plus unknown enforcement measures.

**Oversight** will show a fiscal impact for the additional FTEs salaries and fringe benefits and cost of computer upgrades during FY2018. Oversight will show for FY2018, FY2019, and FY2020 the costs for enforcement hearings, and unknown costs related to AGR maintaining enforcement guidelines, training program(s), continued inspections, and case preparation related to enforcement.

In response to a previous version of this proposal (0071-02), officials from the **Office of the Secretary of State (SOS)** stated 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

ASSUMPTION (continued)

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.

Officials at the **Department of Conservation**, the **Department of Elementary and Secondary Education**, the **Department of Health and Senior Services**, the **Joint Committee on Administrative Rules**, the **Department of Natural Resources**, the **State Public Defender's Office**, the **Office of State Courts Administrator**, and the **Office of Prosecution Services** each assume this proposal will not have a fiscal impact on their respective organizations.

<u>FISCAL IMPACT - State Government</u>	FY 2018	FY 2019	FY 2020
<b>GENERAL REVENUE</b>			
<u>Costs - AGR</u>			
Salaries - 3 Registration Specialists	(\$122,400)	\$0	\$0
Fringe Benefits - 3 Registration Specialists	(\$62,221)	\$0	\$0
Computer System Upgrade	(\$15,000)	\$0	\$0
Enforcement Hearings - 10 per year Maintain Enforcement Guidelines, Training Program, Inspections, Case Preparation	(\$100,000)	(\$102,500)	(\$105,063)
	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
Total Costs - AGR	<u>(Greater than \$299,621)</u>	<u>(Greater than \$102,500)</u>	<u>(Greater than \$105,063)</u>
Change in FTE - AGR	3 FTE	0 FTE	0 FTE
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>(Greater than \$299,621)</u></b>	<b><u>(Greater than \$102,500)</u></b>	<b><u>(Greater than \$105,063)</u></b>
Net Change in FTE - AGR	3 FTE	0 FTE	0 FTE

FISCAL IMPACT - Local Government

FY 2018

FY 2019

FY 2020

\$0

\$0

\$0

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

The bill authorizes the Department of Agriculture, if it determines that any individual has misused dicamba, to assess a civil penalty of \$1000 per applied acre. If an individual is a chronic violator, the department has the authority to assess a civil penalty of \$2000 per applied acre.

During an active complaint investigation, the department may subpoena witnesses and compel the production of certain records relating to an individual's application of any herbicide. If the individual refuses to submit the records, the department may assess a civil penalty of \$1000 per applied acre.

Any individual who is penalized will be liable to the department for any reasonable costs associated with the department's testing of fields or personal property affected by the herbicide use. Any penalty collected will be remitted to the school district in which the violation occurred. The department, after inquiry and opportunity for a hearing, may deny, suspend, revoke, or modify the provisions of any license, permit, or certification issued under the Missouri Pesticides Use Act.

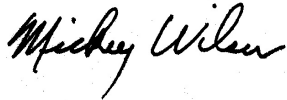
The department must require any manufacturer of a volatile compound, including dicamba, to provide training and certification, either in person or online, to individuals utilizing such products on the proper use of such products. In order to use a product, an individual must complete the training and certification provided by the manufacturer and possess a valid certification of such completion before purchasing and using the volatile compound.

The proposal contains an emergency clause.

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  
Office of Secretary of State  
Department of Conservation  
Department of Elementary and Secondary Education  
Department of Health and Senior Services  
Joint Committee on Administrative Rules  
Department of Natural Resources  
State Public Defender's Office  
Office of Prosecution Services  
Office of State Courts Administrator



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