

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0071-04
Bill No.: Perfected HCS for HB 662
Subject: Agriculture; Agriculture, Department of
Type: Original
Date: February 21, 2017

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

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
General Revenue Fund	(Could exceed \$100,000)	(Could exceed \$102,500)	(Could exceed \$105,063)
Total Estimated Net Effect on General Revenue	(Could exceed \$100,000)	(Could exceed \$102,500)	(Could exceed \$105,063)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
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 2018	FY 2019	FY 2020
Local Government	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

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.

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

Therefore, the total fiscal impact would be \$100,000 plus unknown enforcement measures.

Oversight notes that subsection 281.120.4 allows for AGR to hold violators to be “liable for any reasonable costs associated with the department’s testing of fields or personal property affected by such herbicide use and remit such costs to the department.” Therefore, Oversight will reflect an unknown amount of cost recoupment to AGR.

Oversight notes that the proposal also allows for civil penalties of either \$1,000 per applied acre or \$2,000 per applied acre depending on if the offender is considered a chronic violator or not. It also allows for civil penalties of up to \$1,000 per acre for those who refuse to submit information to AGR. Subsection 281.120.5 states that any penalty collected under this section shall be remitted to the school district in which the violation occurred. Therefore, Oversight will reflect a \$0 or Unknown amount of penalty revenue paid to school districts each year.

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.

ASSUMPTION (continued)

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.

FISCAL IMPACT - State Government FY 2018 FY 2019 FY 2020

GENERAL REVENUE FUND

Income - AGR - is allowed to recoup the cost of associated with testing of fields or personal property affected by such herbicide use §281.120.4 Unknown Unknown Unknown

Costs - AGR
 Enforcement hearings - 10 per year @ \$10,000 per hearing (\$100,000) (\$102,500) (\$105,063)

Costs - AGR - initiate and maintain enforcement guidelines, inspection time, case preparation, enforcement actions, and adjudication efforts (Unknown) (Unknown) (Unknown)

ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND **(Could exceed \$100,000)** **(Could exceed \$102,500)** **(Could exceed \$105,063)**

FISCAL IMPACT - Local Government FY 2018 FY 2019 FY 2020

SCHOOL DISTRICTS

Income - School Districts - civil penalties of \$1,000 per applied acre or \$2,000 per applied acre and \$1,000 per acre for refusing to submit information to AGR \$0 or Unknown \$0 or Unknown \$0 or Unknown

ESTIMATED NET EFFECT TO SCHOOL DISTRICTS **\$0 or Unknown** **\$0 or Unknown** **\$0 or Unknown**

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 \$1,000 per applied acre. If an individual is a chronic violator, the department has the authority to assess a civil penalty of \$2,000 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.

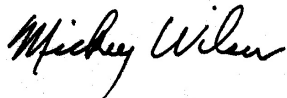
The department must require any manufacturer of a volatile compound, including dicamba, to provide training and certification, either in person or online, to individuals utilizing such products on the proper use of such products. In order to use a product, an individual must complete the training and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



Mickey Wilson, CPA
Director
February 21, 2017

Ross Strobe
Assistant Director
February 21, 2017