

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0071-08  
Bill No.: Truly Agreed To and Finally Passed SCS for HCS for HB 662  
Subject: Agriculture; Department of Agriculture; Civil Penalties; Education, Elementary and Secondary; Food; Licenses - Miscellaneous  
Type: Original  
Date: March 29, 2017

Bill Summary: This proposal allows the Department of Agriculture to assess civil penalties for the use of a herbicide for a crop for which the herbicide was not labeled for use.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
General Revenue Fund	(Could exceed \$100,000)	(Could exceed \$102,500)	(Could exceed \$105,063)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(Could exceed \$100,000)</b>	<b>(Could exceed \$102,500)</b>	<b>(Could exceed \$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 Other 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>
<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 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<b>Local Government</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials at the **Department of Agriculture (AGR)** assume the 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 “liable for any reasonable costs associated with the department’s investigation.” Therefore, Oversight will reflect an unknown amount of cost recoupment to AGR.

**Oversight** notes that the proposal also allows for civil penalties of either \$10,000 per violation or \$25,000 per violation depending on if the offender is considered a chronic violator or not. It also allows for civil penalties of up to \$5,000 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)** 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 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 **Department of Natural Resources**, the **Joint Committee on Administrative Rules**, the **Office of State Courts**

ASSUMPTION (continued)

**Administrator, the State Public Defender’s Office, 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 the department’s investigation §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 \$10,000 or \$25,00 per violation and \$5,000 per violation 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 a herbicide for a crop, to assess a civil penalty of up to \$10,000 for each violation. If an individual is a chronic violator, as defined in this proposal, the department has the authority to assess a civil penalty of \$25,000 for each violation.

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 up to \$5,000 per refusal.

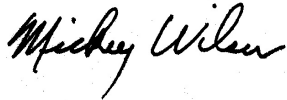
Any individual who is penalized will be liable to the department for any reasonable costs associated with the department's investigation. Any penalty collected will be remitted to the school district in which the violation occurred. The department, after inquiry and opportunity for a hearing, may deny,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

The 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  
March 29, 2017

Ross Strobe  
Assistant Director  
March 29, 2017