

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0529-01  
Bill No.: Perfected SB 133  
Subject: Administrative Law; Agriculture; Department of Agriculture; Civil Penalties;  
 Food  
Type: Original  
Date: February 25, 2019

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Bill Summary: This proposal allows the Director of the Department of Agriculture to assess a civil penalty for violating certain provisions of law relating to eggs.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
<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 2020	FY 2021	FY 2022
<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 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</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 2020</b>	<b>FY 2021</b>	<b>FY 2022</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 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
<b>Local Government</b>	<b>Up to \$50,000</b>	<b>Up to \$50,000</b>	<b>Up to \$50,000</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Agriculture (AGR)** assume this proposal provides for collection of civil penalties that will have a positive impact to General Revenue. Penalties are reserved for more severe violations. Severe violations will vary year to year from zero to possibly five businesses per year, with up to a total of 100 violations at those five businesses.

AGR assumes this proposal will not require any new employees or equipment. Reduction of expenses may occur by a more efficient method of enforcement. Violations resulting in fines could vary widely from year to year, from no fines to possibly 100 violations at \$500 max/violation (range = \$0 - \$50,000 to local school districts).

**Oversight** notes that civil penalties collected are distributed to the school district where the violation occurred; therefore, Oversight will reflect a positive fiscal impact of "Up to \$50,000" to local school districts on the fiscal note.

Oversight notes that an increase in revenue collected from fines distributed to schools in one year increases the deduction in the foundation formula for the following year. For simplicity purposes, Oversight will not reflect this fiscal impact to the foundation formula.

Officials from the **Administrative Hearing Commission (AHC)** assume that this proposal will not significantly alter its caseload. If similar bills pass, resulting in more cases, there will be a fiscal impact.

**Oversight** assumes the AHC is provided with core funding to handle a certain amount of activity each year. Oversight assumes the AHC will request additional appropriation if its caseload is significantly altered; therefore, Oversight will not reflect a fiscal impact to the AHC on the fiscal note.

Officials from the **Attorney General's Office** and **Office of the State Courts Administrator** each assume the proposal will have no fiscal impact on their respective organizations.

**Oversight** notes that the agencies mentioned above have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2020 (10 Mo.)	 FY 2021	 FY 2022
<b>LOCAL SCHOOL DISTRICTS</b>			
<u>Revenue - civil penalties for violations of §§196.311 - 196.361</u>	<u>Up to \$50,000</u>	<u>Up to \$50,000</u>	<u>Up to \$50,000</u>
<b>ESTIMATED NET EFFECT ON LOCAL SCHOOL DISTRICTS</b>	<b><u>Up to \$50,000</u></b>	<b><u>Up to \$50,000</u></b>	<b><u>Up to \$50,000</u></b>

FISCAL IMPACT - Small Business

There could be a fiscal impact to small businesses if they are assessed civil penalties for violating provisions in this proposal.

FISCAL DESCRIPTION

This act allows the Director of the Department of Agriculture to assess a civil penalty for violating certain provisions of law relating to eggs of not more than \$500, and not more than \$500 per day that such violation continues. Any person aggrieved by any action taken by the Director may appeal such action.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

L.R. No. 0529-01  
Bill No. Perfected SB 133  
Page 5 of 5  
February 25, 2019

SOURCES OF INFORMATION

Department of Agriculture  
Office of the State Courts Administrator  
Attorney General's Office  
Administrative Hearing Commission



Kyle Rieman  
Director  
February 25, 2019

Ross Strobe  
Assistant Director  
February 25, 2019