

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0529-02  
Bill No.: HCS for SB 133  
Subject: Administrative Law; Agriculture; Department of Agriculture; Civil Penalties;  
Food  
Type: Original  
Date: April 19, 2019

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Bill Summary: This proposal modifies provisions relating to agriculture.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 19 pages.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
Agriculture Protection Fund (0970)	\$1,626,284 to \$1,817,972	\$1,633,401 to \$1,825,089	\$1,633,401 to \$1,825,089
Criminal Records (0671)	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
Industrial Hemp Fund (0476)*	\$0 or \$734,368	\$0 or \$755,872	\$0 or \$754,169
Pesticide Education Fund	\$0 or Up to \$191,688	\$0 or Up to \$191,688	\$0 or Up to \$191,688
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$1,817,972 to \$2,552,340</b>	<b>\$1,825,089 to \$2,580,961</b>	<b>\$1,825,089 to \$2,580,961</b>

\*Revenue and costs net to zero.

<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>
Agriculture Protection Fund	2 FTE	2 FTE	2 FTE
Industrial Hemp Fund	2 FTE	2 FTE	2 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>4 FTE</b>	<b>4 FTE</b>	<b>4 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 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

#### §§64.002, 65.702 and 89.020 - Zoning - Sawmills and Planing Mills

**Oversight** notes these sections are identical to HB 685 from 2019.

Officials at the **State Tax Commission** assume this proposal has no fiscal impact as sawmills are currently designated as agricultural and horticultural property for assessment purposes under §135.016.

Officials at the **Department of Agriculture** assume there is no fiscal impact from this proposal.

In response to HB 685 (2019), officials at the **St. Francois County Assessor's Office** stated they already assess their sawmills as agricultural property.

In response to HB 685 (2019), officials at **St. Louis County, Franklin County Assessor, Mercer County Assessor, Monroe County Assessor, Stoddard County Assessor** and the **Wright County Assessor** each assumed there is no fiscal impact from this proposal.

**Oversight** notes that sawmills are considered agricultural and horticultural property for property assessment purposes. This proposal would make sure they are agricultural and horticultural property for planning and zoning purposes as well. Oversight assumes this would not have a fiscal impact.

**Oversight** only reflects the responses that we have received from state agencies and political subdivisions; however, other county assessors, county commissions and county planning and zoning commissions were requested to respond to this proposed legislation but did not. For a general listing of political subdivisions included in our database, please refer to [www.legislativeoversight.mo.gov](http://www.legislativeoversight.mo.gov).

#### §§195.740, 195.746, 195.749, 195.752, 195.756, 195.758, 195.764 and 195.767 - Industrial Hemp

**Oversight** notes these sections are similar to the perfected version of HCS for HB 824 from 2019.

In response to the perfected HCS for HB 824, officials from the **Department of Agriculture (AGR)** assumed this proposal would increase annual Total State Revenue (TSR) by \$922,033 (from \$201,667 to \$1,123,679) by the various types.

ASSUMPTION (continued)

Type of revenue	Current Estimate	Estimate with HCS for HB 824 (A.A)	Difference
Annualized application fees	\$ 8,000	\$ 26,033	\$ 18,033
Annualized grower fees	\$ 25,000	\$ 83,333	\$ 58,333
Annualized handler fees	\$ 0	\$ 20,833	\$ (20,833)
Annual handler processing fees	\$ 0	\$ 337,500	\$ (337,500)
Annualized propagule and seed permit fees	\$ 26,000	\$ 26,000	\$ 0
Annual Acreage fees	\$ 90,000	\$ 900,000	\$ 810,000
Totals	\$ 149,000	\$ 1,393,699	\$ 528,033

AGR assumed this proposal would remove the minimum and maximum acreage requirements for Industrial Hemp. The proposal will increase the number and diversity of grower and handler operations in the state. The department assumes increases in the following areas compared to the FY 2020 Governor's recommended New Decision Item to implement HB 2034 (2018):

- "applications" will increase from 240 to 781;
- "growers" will increase from 150 to 500;
- "propagule and seed permits will increase from 0 to 156;
- "acres" will increase from 2,000 to 20,000;
- "inspections" will increase from 217 to 781;
- "FTEs" will increase from 2 to 4 (add 2 Program Coordinators);
- "personal service" plus "fringe" will increase from \$171,305 to \$286,431; and
- "E&E" will increase from \$32,068 in first year to \$92,554. Subsequent years will be \$12,600.

The number of licensed entities (growers and ag hemp propagule and seed permittees) will increase from 217 to 781. The 564 additional licensed entities will be set on a three-year inspection rotation ( $564 / 3 = 188$ ). The increased annual inspection of 188 licensed entities at 10 hours per inspection will require 1,880 additional inspection hours.

ASSUMPTION (continued)

AGR assumed the need for two (2) additional FTE Program Coordinators for: outreach to a larger and more diversified set of industrial hemp growers; year-round inspections of indoor growing facilities; inspections of the increased number of outdoor growers; continuous application reviews; and continuous improvement of processes used to manage a dynamic industry.

All fees used in this fiscal note are based on the rates found in the currently proposed rule for the Industrial Hemp Pilot Program authorized by HB 2034 in 2018. The proposed rule and fee rates are likely to change if subsequent legislation (such as this bill) is enacted.

The following chart shows the fee rates used in both the HB 2034 proposed rule and the fiscal note estimate for HCS for HB 824, A.A.

Fee Type	When Collected	Fee	Gov's Rec NDI Estimate (HB 2034)	New Estimate (HCS for HB 824 A.A.)	Increase/Decrease	Subtotal Increase	Total New	Total Gov's Rec NDI (HB 2034)	Total Increase (HCS for HB 824 A.A.)
Applications	Once every 3 years	\$100	240	781	541	\$54,100	\$26,033	\$8,000	\$18,033
Growers	Once every 3 years	\$500	150	500	350	\$175,000	\$83,333	\$25,000	\$58,333
Handlers	Once every 3 years	\$500	25	125	100	\$50,000	\$20,833	\$4,167	\$16,667
Handler Processing	Annually	\$2,700	25	0	(25)	(\$270,000)	\$67,500	\$67,500	\$0
Propagule and Seed Permit	Once every 3 years	\$500	42	156	114	\$57,000	\$26,000	\$7,000	\$19,000
Acres	Annually	\$45	2,000	20,000	18,000	\$810,000	\$900,000	\$90,000	\$810,000
<b>Total</b>							<b>\$1,123,699</b>	<b>\$201,667</b>	<b>\$922,033</b>

Source: Department of Agriculture

ASSUMPTION (continued)

**AGR** noted in response to HB 2034 (2018), AGR made the assumption that they would need to purchase \$600,000 of equipment needed for pesticide analysis and the anticipated fee structure used on the fiscal note for HB 2034 (2018) included covering this expense. AGR noted that upon further review, the implementation strategy was revised to lower the fees paid by program participants.

1. AGR decided to require growers to pay the costs of gathering and submitting samples to private labs for analysis instead of AGR to perform the testing;
2. The revised strategy eliminated the need for additional laboratory staff and equipment - including the \$600,000 pesticide testing equipment included in the HB 2034 TAFP fiscal note; and
3. The fiscal impact statement for this bill does not include any impact to the Department of Public Safety - Missouri Highway Patrol.

AGR's department request for the FY 2020 budget year regarding the Industrial Hemp proposal was for \$347,338 (5 FTE). The Governor's Recommendation was for \$119,200 (2 FTE). All from the Industrial Hemp Fund.

**Oversight** inquired of AGR regarding the current proposed fee revenue of \$201,667 indicated for HB 824 as compared to the fee revenue of \$1,006,100 estimated in HB 2034 (2018), which established the industrial hemp program. AGR notes the proposed fees listed above might be likely to change again due to any legislation impacting the program as the rules have not been approved yet. The original proposal, HB 2034 (2018), was intended to be revenue neutral, meaning the estimated fees charged were calculated to cover the estimated program expenses of \$1,006,100. Any new rules proposed could also be adjusted to reflect program costs; therefore, Oversight will range the fiscal impact as revenue neutral (net impact \$0, proposed fees updated so that additional participants in the program would still result in revenue equaling costs to the Industrial Hemp Fund) to the increased revenue amounts indicated by AGR (proposed fees do not change even though participation in the program increases substantially).

**AGR** notes the fund number for the Industrial Hemp Fund is 0476.

**Oversight** notes this is a new fund and does not appear on the monthly State Treasurer's fund balance reports as of February 2019 as no revenues have been received.

In response to the perfected HCS for HB 824, officials from the **Department of Public Safety - Missouri Highway Patrol (MHP)** assumed this proposal added a new definition for "agricultural hemp propagule" and states that if required by federal law, any applicant for a permit would have to request a fingerprint criminal history background check.

ASSUMPTION (continued)

For each background check, the Patrol would collect \$31.25, of which it would retain \$22 and pass through the remaining \$9.25 to the FBI. The Patrol has no way to determine the number of potential applicants for this permit; therefore, the impact is unknown to the General Revenue Fund.

**Oversight** does not have any information to the contrary in regards to MHP's; therefore, Oversight will range the fiscal impact from \$0 (federal law does not require a background check) to a positive "Unknown" fiscal impact (revenue collected from fees for background checks) to the Criminal Records Fund as required by Section 43.530, RSMo.

Officials from the **Department of Higher Education (DHE)** assume the proposal will have no fiscal impact on their organization.

**Oversight** notes that DHE has 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 DHE.

In response to the perfected HCS for HB 824, officials from the **University of Missouri, Missouri State University** and **State Technical College of Missouri** each assumed the proposal would 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.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other colleges were requested to respond to this proposed legislation but did not. For a general listing of political subdivisions included in our database, please refer to [www.legislativeoversight.mo.gov](http://www.legislativeoversight.mo.gov).

In response to the perfected HCS for HB 824, officials from the **St. Louis County Police Department** assumed the proposal would require an hour of training for all commissioned. The average pay for police officers including fringe benefits is \$46.72 per hour. The department currently has approximately 930 officers. The total cost of one hour of training is \$43,450.

**Oversight** does not have any information to the contrary in regards to the St. Louis County Police Department's assumptions; however, Oversight assumes the cost of the training can be absorbed and will not reflect a fiscal impact to law enforcement agencies.



ASSUMPTION (continued)

In response to the perfected HCS for HB 824, officials from the **St. Louis County of Justice Services, Joplin Police Department** and **Springfield Police Department** each assumed the proposal would 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.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other law enforcement agencies were requested to respond to this proposed legislation but did not. For a general listing of political subdivisions included in our database, please refer to [www.legislativeoversight.mo.gov](http://www.legislativeoversight.mo.gov).

§196.352 - Civil Penalties for Violations of Law Pertaining to Eggs

In response to a previous version, officials from the **Department of Agriculture (AGR)** assumed 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 assumed this proposal would 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.

In response to a previous version, officials from the **Administrative Hearing Commission (AHC)** assumed that this proposal would not significantly alter its caseload. If similar bills pass, resulting in more cases, there will be a fiscal impact.

ASSUMPTION (continued)

**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.

In response to a previous version, officials from the **Attorney General's Office** and **Office of the State Courts Administrator** each assumed the proposal would 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.

§261.099 - Inspection of Grounds or Facilities

**Oversight** notes this section is similar to the perfected version of HCS for HB 951 from 2019.

In response to the perfected version of HCS for HB 951, officials from the **Department of Agriculture, Department of Natural Resources, Attorney General's Office** and **Department of Health and Senior Services** each assumed the proposal would have no fiscal impact on their organization.

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

In response to the perfected version of HCS for HB 951, officials from the **Adair County Health Department, Andrew County Health Department, Osage County Health Department, Stone County Health Department** and **Columbia/Boone County Department of Public Health and Human Services** each assumed the proposal would have no fiscal impact on their organization.

**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.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other local public health agencies were requested to respond to this proposed legislation but did not. For a general listing of political subdivisions included in our database, please refer to [www.legislativeoversight.mo.gov](http://www.legislativeoversight.mo.gov).

ASSUMPTION (continued)

§261.140, 264.061, 266.031, 266.165, 266.190, 281.035, 281.037, 281.038, 281.050, 281.260 - Plant Industries Fees

**Oversight** notes these sections are similar to HB 588 from 2019.

In response to HB 588, officials from the **Department of Agriculture (AGR)** assumed there would be a total net revenue increase of \$1,842,389 as a result of this proposal.

The table below indicates the current fee and the proposed fee for the various plant industries fees collected annually.

Citation	License/Registration Affected	Number of Payers	Current Fee	Proposed Fee	Estimated Revenue Increase
§264.061	Apiary import permit	11	\$5	\$10	\$55
§266.031	Vegetable, Owner, No storage	1,976	\$5	\$20	\$29,640
§266.031	Retail seed license	1,556	\$15	\$60	\$70,020
§266.031	Wholesale seed license	263	\$100	\$400	\$78,900
§266.165	Feed licenses	1,978	\$25 per year	\$35	\$19,780
§266.190	Tonnage fees	5,154,975 tons of feed	\$0.10 per ton (with minimum \$5)	\$0.14 per ton (with minimum \$5)	\$206,199
§266.190	Feed product registration	9,687	\$25	\$90	\$629,655
§281.035	Certified commercial applicator	5,278	\$50	\$65	\$79,170
§281.037	Certified non-commercial applicator	1,062	\$25	\$35	\$10,620
§281.038	Pesticide technician	2,512	\$25	\$35	\$25,120
§281.050	Pesticide dealer	863	\$25	\$35	\$8,630
§281.260	Registered pesticide	13,692	\$150	\$200	\$684,600
<b>Annual Total fee revenue</b>					<b>\$1,842,389</b>

The number of payers is based on 2018 figures.

ASSUMPTION (continued)

AGR noted the division's computer system, MOPlants, will require updates to change the fee amounts and structures. The estimated cost of this contracted work is **\$10,000**.

Additional appropriation authority will be requested to address program needs if this proposal is passed.

**Oversight** notes the Department of Agriculture provided the Joint Legislative Committee to Review the Plant Industries Division its immediate and long-term needs assessments in September 2018. Oversight assumes this data was used to assist in creating this proposal.

**Oversight** notes the Agriculture Protection Fund (0970) had a fund balance of \$4,185,565 as of March 2019. Oversight also notes \$9.4 million in receipts was deposited into the Agriculture Protection Fund in FY 2018. **AGR** noted, however, that only \$1.3 million of those receipts applied to the Plant Industries Division.

**Oversight** notes up to 7% of the annual registration fees for pesticides may be deposited into the newly created Pesticide Education Fund at the discretion of the director of the Department of Agriculture. Oversight will reflect a fiscal impact of \$0 (AGR does not deposit funds into the Pesticide Education Fund) or "Up to 191,688" for the Pesticide Education Fund (13,692 payers x \$200 registration fee = \$2,738,400 x 7% = \$191,688). Additionally, Oversight will reflect the revenue increase to the Agriculture Protection Fund (0970) from \$1,650,701 (AGR deposits 7% of the pesticide annual registration fee into the Pesticide Education Fund) or \$1,842,389 (AGR deposits all revenue from the fee increases into the Agriculture Protection Fund).

In response to HB 588, officials from the **Office of the State Treasurer** assumed the proposal would have no fiscal impact on their organization.

**Oversight** notes that the Office of the State Treasurer has 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 the Office of the State Treasurer.

ASSUMPTION (continued)

§§280.005, 280.010, 280.020, 280.030, 208.035, 280.037, 280.038, 280.040, 280.050, 280.060, 280.070, 280.080, 280.090, 280.095, 280.100, 280.110, 280.120, 280.130 and 280.140 - Repeal of the Missouri Treated Timber Law

**Oversight** notes these sections are identical to HB 587 from 2019.

In response to HB 587 (2019), officials from the **Department of Agriculture (AGR)** assumed this proposal would eliminate the Treated Timber Law. Based on FY 2018 figures, AGR will no longer collect \$17,300 in annual license revenue. Net annual program expenses savings of \$246,889 will go to unmet current needs in the Plant Industries Division.

Historically, the Treated Timber program has been supported by Pesticide Product Registration fees. However, the Pesticide Product Registration fees will no longer be used to support the Feed, Seed and Treated Timber program; therefore, funding from that particular fee will stay within the Pesticide Control and Plant Pest programs. The savings from eliminating the Treated Timber program will be reallocated to the Pesticide Control and Plant Pest programs and be used for priority items, like the two unfilled Pesticide Use Investigators FTE and necessary IT upgrades.

**Oversight** notes the following from AGR’s FY 2019 budget request:

	2015 Actual	2016 Actual	2017 Actual to Date	2017 Projected	2018 Projected	2019 Projected	2020 Projected
Treated Timber Producers	55	48	49	50	50	55	55
Treated Timber Dealers	847	849	840	850	855	860	865

Oversight notes treated timber producers must pay an annual license fee of \$200 and treated timber dealers must pay an annual fee of \$15.

Oversight notes the Agriculture Protection Fund (0970) had a fund balance of \$4,325,232 as of January 2019.

Oversight does not have any information to the contrary in regards to AGR’s assumptions; therefore, Oversight will reflect AGR’s loss of revenue of \$17,300 and program savings of \$246,889 on the fiscal note.

ASSUMPTION (continued)

Additionally, Oversight will show the department's reallocation of \$246,889 to the Pesticide Control and Plant Pest programs for IT costs and two currently vacant FTE that will be filled with the savings from the repeal of this program.

In response to HB 587 (2019, officials from the **Office of the State Courts Administrator (OSCA)** assumed the proposal would have no fiscal impact on their organization.

**Oversight** notes that OSCA has 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 OSCA.

Bill as a Whole

Officials from the **Office of the Secretary of State (SOS)** assume 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 \$5,000.

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 require additional resources.

Officials from the **Joint Committee on Administrative Rules (JCAR)** state that the proposal is not anticipated to cause a fiscal impact to their agency beyond its current appropriation.

**Oversight** assumes JCAR will be able to administer any rules resulting from this proposal with existing resources.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
<b>AGRICULTURE PROTECTION FUND</b>			
<u>Revenue</u> - AGR - §§264.061 - 281.260 - Increase in various Plant Industries fees p. 11-12	\$1,650,701 to \$1,842,389	\$1,650,701 to \$1,842,389	\$1,650,701 to \$1,842,389
<u>Savings</u> - AGR - §§280.005 - 280.140 - program savings from the repeal of the Treated Timber Law p. 13	\$205,741	\$246,889	\$246,889
<u>Cost</u> - AGR - §§280.005 - 280.140 reallocation of funds from the repeal of the Treated Timber Law (remaining funds after filling two vacant positions) p. 13-14	(\$107,943)	(\$128,611)	(\$127,681)
<u>Cost</u> - AGR - §§280.005 - 280.140 - filling of two vacant positions due to the reallocation of funds from the repeal of the Treated Timber Law p. 13-14			
Personal Services	(\$58,847)	(\$71,322)	(\$72,035)
Fringe Benefits	<u>(\$38,951)</u>	<u>(\$46,956)</u>	<u>(\$47,173)</u>
Total Costs - AGR	(\$97,798)	(\$118,278)	(\$119,208)
FTE Change - AGR	2 FTE	2 FTE	2 FTE
<u>Cost</u> - AGR - §§264.061 - 281.260 - vendor cost to update system p. 12	(\$10,000)	\$0	\$0
<u>Loss</u> - AGR - §§280.005 - 280.140 loss of annual fees for treated timber p. 13	<u>(\$14,417)</u>	<u>(\$17,300)</u>	<u>(\$17,300)</u>
<b>ESTIMATED NET EFFECT ON THE AGRICULTURE PROTECTION FUND</b>	<b>\$1,626,284 to <u>\$1,817,972</u></b>	<b>\$1,633,401 to <u>\$1,825,089</u></b>	<b>\$1,633,401 to <u>\$1,825,089</u></b>

FISCAL IMPACT - State Government                      FY 2020                      FY 2021                      FY 2022  
 (continued)    (10 Mo.)

**CRIMINAL RECORDS FUND**

Revenue - MHP - §195.740 - fees from background checks p. 7-8                      \$0 to Unknown                      \$0 to Unknown                      \$0 to Unknown

**ESTIMATED NET EFFECT ON THE CRIMINAL RECORDS FUND**                      **\$0 to Unknown**                      **\$0 to Unknown**                      **\$0 to Unknown**

**INDUSTRIAL HEMP FUND**

Revenue - §§195.740 - 195.767 - increased fees due to increased number of applicants - ranged from fees changing so that only collect enough to cover additional costs to new estimate of applicants at currently proposed fee schedule p. 4-7                      \$187,665 to \$922,033                      \$166,161 to \$922,033                      \$167,864 to \$922,033

Cost - §§195.740 - 195.767 - AGR p. 5-6  
 Personal Services                      (\$76,760)                      (\$93,033)                      (\$93,963)  
 Fringe Benefits                      (\$44,409)                      (\$53,571)                      (\$53,855)  
 Expense and Equipment                      (\$66,496)                      (\$19,557)                      (\$20,046)  
Total Costs - AGR                      (\$187,665)                      (\$166,161)                      (\$167,864)  
 Net FTE Change - AGR                      2 FTE                      2 FTE                      2 FTE

**ESTIMATED NET EFFECT ON THE INDUSTRIAL HEMP FUND\***                      **\$0 or \$734,368**                      **\$0 or \$755,872**                      **\$0 or \$754,169**

\*Revenues and cost net to zero

Estimated Net FTE Change to the Industrial Hemp Fund                      2 FTE                      2 FTE                      2 FTE



FISCAL IMPACT - State Government (continued)	FY 2020 (10 Mo.)	FY 2021	FY 2022
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**PESTICIDE EDUCATION FUND**

Revenue - AGR - §281.260 - from the annual registration fees for pesticides p. 11-12	\$0 or Up to <u>\$191,688</u>	\$0 or Up to <u>\$191,688</u>	\$0 or Up to <u>\$191,688</u>
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<b>ESTIMATED NET EFFECT ON THE PESTICIDE EDUCATION FUND</b>	<b><u>\$0 or Up to \$191,688</u></b>	<b><u>\$0 or Up to \$191,688</u></b>	<b><u>\$0 or Up to \$191,688</u></b>
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<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
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**LOCAL SCHOOL DISTRICTS**

Revenue - §196.352 - civil penalties for violations of §§196.311 - 196.361 p. 9	<u>Up to \$50,000</u>	<u>Up to \$50,000</u>	<u>Up to \$50,000</u>
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<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>
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FISCAL IMPACT - Small Business

Small businesses related to the cultivation of hemp could be impacted by this proposal.

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

Small agricultural businesses could be additional fees as a result of this proposal.

Treated timber producers and dealers will no longer have to pay annual fees.

## FISCAL DESCRIPTION

This proposal modifies provisions relating to agriculture.

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 the State Courts Administrator  
Administrative Hearing Commission  
Attorney General's Office  
Franklin County Assessor  
Mercer County Assessor  
Monroe County Assessor  
Stoddard County Assessor  
St. Francois County Assessor  
State Tax Commission  
St. Louis County  
Wright County Assessor  
Department of Higher Education  
University of Missouri  
Missouri State University  
State Technical College of Missouri  
Department of Public Safety - Missouri Highway Patrol  
Office of the Secretary of State  
Joint Committee on Administrative Rules  
Springfield Police Department  
St. Louis County Police Department  
St. Louis County Department of Justice Services  
Joplin Police Department  
Columbia/Boone County Department of Public Health and Human Services  
Osage County Health Department  
Stone County Health Department  
Adair County Health Department  
Andrew County Health Department  
Department of Natural Resources

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Bill No. HCS for SB 133  
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April 23, 2019

SOURCES OF INFORMATION (continued)

Department of Health and Senior Services  
Office of the State Treasurer



Kyle Rieman  
Director  
April 23, 2019

Ross Strope  
Assistant Director  
April 23, 2019