

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0556H.03C  
 Bill No.: HCS for SB 138  
 Subject: Agriculture; Appropriations; Department of Economic Development; State Treasurer; Trees and Other Plants  
 Type: Original  
 Date: April 21, 2023

Bill Summary: This proposal requires the Department of Economic Development to promote Missouri hardwood forest products.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
General Revenue Fund*	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0 to (Unknown)</b>	<b>\$0 to (Unknown)</b>	<b>\$0 to (Unknown)</b>

\*Oversight assumes the appropriation to promote hardwood forest products would not reach the \$250,000 threshold.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Missouri Hardwood Forest Product Promotion Fund*	\$0	\$0	\$0
<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.  
 Revenue and costs net to zero.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</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 2024</b>	<b>FY 2025</b>	<b>FY 2026</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 \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### **Section 262.911 - "Missouri Hardwood Forest Product Promotion Fund"**

Officials from the **Department of Economic Development**, the **Missouri Department of Agriculture**, and the **Department of Natural Resources** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

**Oversight** notes the Section 262.911.2 creates "Missouri Hardwood Forest Product Promotion Fund" which shall consist of any grants, gifts, devises, bequests, and moneys appropriated by the general assembly to the fund.

**Oversight** notes the moneys in this fund shall be used solely to promote and educate about Missouri hardwood forest products. Therefore, **Oversight** will note range of zero (General Assembly does not appropriate a transfer of funds) to unknown negative amount (General Assembly appropriates money for the program) from general revenue into the Missouri Hardwood Forest Product Promotion Fund in the fiscal note.

**Oversight** notes Section 262.911.1 states the Department of Economic Development shall promote Missouri hardwood forest products and educate the public on the value and benefits of such hardwood products. Therefore, Oversight will note a range of \$0 (money was not appropriated) to a negative unknown amount for purpose of the administration of the proposal (DED expenditure) in the fiscal note.

**Oversight** does not expect the total revenue transfer for purposes of this Fund to surpass \$250,000 threshold.

**Oversight** notes the proposal allow the State Treasurer invest, disburse, and credit the fund with the interest on money made on the investments in the fund.

In response to the similar proposal, SB 1159 – 2022, officials from the **Office of the State Treasurer** assumed the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this office.

#### **Section(s) 442.566, 442.571, 442.576, and 442.591 - Foreign Ownership of Real Property.**

In response to the similar proposal, SS for SCS for HCS for HB Nos. 903, 465, 430 & 499 with SA 1 and SA 2, officials from the **Missouri Department of Agriculture**, the **Department of Revenue**, and the **Attorney General's Office** each assumed the proposal would have no fiscal impact on their respective organizations.

In response to a previous version, officials from the **Office of Administration** assumed the proposal would have no fiscal impact on their organization.

**Oversight** notes that the above mentioned agencies 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.

Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** note 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 its 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.

<u>FISCAL IMPACT – State Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
<b>GENERAL REVENUE</b>			
<u>Transfer Out – Section 262.911 – to the newly established fund for the promotion of Missouri hardwood products (p.3)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b>\$0 or <u>(Unknown)</u></b>	<b>\$0 or <u>(Unknown)</u></b>	<b>\$0 or <u>(Unknown)</u></b>

<b>MISSOURI HARDWOOD FOREST PRODUCT PROMOTION FUND</b>			
<u>Transfer In</u> – From the General Revenue for administration of the program	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Cost</u> – DED – Administration of the program (p.3)	(Unknown)	(Unknown)	(Unknown)
<b>ESTIMATED NET EFFECT ON THE MISSOURI HARDWOOD FOREST PRODUCT PROMOTION FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT – Small Business

Small farming and hardwood businesses could be impacted by this proposal.

FISCAL DESCRIPTION

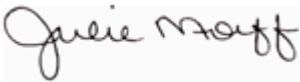
This proposal requires the Department of Economic Development to promote Missouri hardwood forest products and creates new provisions relating to foreign ownership of real property.

Part of the proposal has an emergency clause.

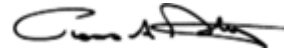
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Attorney General's Office  
Department of Economic Development  
Missouri Department of Agriculture  
Department of Natural Resources  
Office of the Secretary of State  
Joint Committee on Administrative Rules  
Department of Economic Development



Julie Morff  
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April 21, 2023



Ross Strobe  
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April 21, 2023