

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1128S.01I
 Bill No.: SB 55
 Subject: Agriculture; Department of Agriculture; Property, Real and Personal; Attorney General
 Type: #Updated
 Date: January 24, 2023

#updated to reflect administrative impact on the Missouri Department of Agriculture.

Bill Summary: This proposal modifies provisions regarding foreign ownership of agricultural land.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
#General Revenue	Could exceed (184,562 to \$275,595)	Could exceed (\$167,318 to \$249,704)	Could exceed (\$170,041 to 253,763)
#Total Estimated Net Effect on General Revenue	Could exceed (184,562 to \$275,595)	Could exceed (\$167,318 to \$249,704)	Could exceed (\$170,041 to 253,763)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
#General Revenue	2 to 3 FTE	2 to 3 FTE	2 to 3 FTE
#Total Estimated Net Effect on FTE	2 to 3 FTE	2 to 3 FTE	2 to 3 FTE

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.

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

FISCAL ANALYSIS

ASSUMPTION

#Officials from the **Missouri Department of Agriculture (MDA)** assume the following regarding this proposal:

#Section 442.571 (3) designates the Missouri Department of Agriculture as the authority to determine whether the acquisition of agricultural land is conveyed in accordance with the one percent restriction on the total aggregate alien and foreign ownership of agricultural land in this state. MDA shall also establish by rule the requirements for submission and approval of requests under this section. This creates the need for two (2) to three (3) FTE.

#In addition, MDA notes OA-ITSD services may be required; however, the potential cost is unknown at this time.

#**Oversight** does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by MDA.

Officials from the **Department of Revenue** assume 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 on DOR in the fiscal note.

In response to a similar proposal from 2023 (HB 430), officials from the **Attorney General's Office** 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 for these agencies.

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
GENERAL REVENUE			
<u>#Cost – MDA</u>			
Personal Services	(\$89,290 to \$133,026)	(\$91,076 to \$135,687)	(\$92,897 to \$138,400)
Fringe Benefits	(\$64,575 to \$96,523)	(\$65,243 to \$97,518)	(\$65,925 to \$98,534)
Equipment and Expense	(\$30,697 to \$46,046)	(\$10,999 to \$16,499)	(\$11,219 to \$16,829)
<u>Total Costs – MDA</u>	<u>(\$184,562 to \$275,595)</u>	<u>(\$167,318 to \$249,704)</u>	<u>(\$170,041 to \$253,763)</u>
FTE Change	2 to 3 FTE	2 to 3 FTE	2 to 3 FTE
<u>Cost – MDA – OA-ITSD services</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>
#ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>Could exceed (184,562 to \$275,595)</u>	<u>Could exceed (167,318 to \$249,704)</u>	<u>Could exceed (170,041 to 253,763)</u>
#Estimated Net FTE Change ON General Revenue	2 to 3 FTE	2 to 3 FTE	2 to 3 FTE

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

FISCAL IMPACT – Small Business

Small alien or foreign businesses that have Missouri agricultural land could be impacted by this proposal.

FISCAL DESCRIPTION

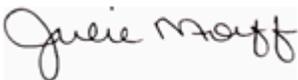
This act provides that no foreign ownership of agricultural land in the state of Missouri shall exceed half of one percent of the total agricultural land in the state of Missouri, rather than one percent.

Under this act, no alien or foreign business can purchase or lease land within thirty miles of certain agricultural land, military grounds, or business establishments engaged in certain military manufacturing.

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

Missouri Department of Agriculture
Department of Revenue
Office of the Secretary of State
Joint Committee on Administrative Rules
Attorney General's Office



Julie Morff
Director
January 24, 2023



Ross Strobe
Assistant Director
January 24, 2023