

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 2612-04
BILL NO.: Perfected SCS for SB 558
SUBJECT: Department of Natural Resources; Soil and Water Commission
TYPE: Original
DATE: February 29, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Soils Sales Tax Fund	(\$8,750)	(\$2,500)	(\$2,500)
Total Estimated Net Effect on <u>All</u> State Funds	(\$8,750)	(\$2,500)	(\$2,500)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	(Unknown)	(Unknown)	(Unknown)

Numbers within parentheses: () indicate costs or losses
This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

The following assumptions are referring to the component of the proposal relating to the composition of the Soil and Water Conservation Commission, until noted otherwise.

Officials from the **Department of Agriculture**, the **Department of Conservation** and the **Office of the Attorney General** assume their agencies would not be fiscally impacted by this proposed legislation.

Officials from the **University of Missouri** assume this proposal would have little or no fiscal impact on the University.

Officials from the **Department of Natural Resources (DNR)** assume the proposed legislation states the commission may provide training, programs and other assistance to the soil and water conservation districts for the identification and development of programs that respond to the character of the districts needs. This will not result in a fiscal impact to the Department because staff currently provides training, resources and other assistance to soil and water conservation districts. The commission already has the authority through which the districts identify and request programs that respond to particular districts' needs.

Officials from the **Office of the Secretary of State** assume that based on experience with other divisions, the rules, regulations and forms issued by the State Soil and Water Districts Commission could require as many as approximately 32 pages in the *Code of State Regulations*. For any given rule, roughly half again as many pages are published in the *Missouri Register* as in the *Code* because cost statements, fiscal notes and the like are not repeated in *Code*. These costs are estimated. The estimated cost of a page in the *Missouri Register* is \$22.50. The estimated cost of a page in the *Code of State Regulations* is \$26.50. Therefore, the estimated costs for FY 01 are \$1,928. The actual costs could be more or less than the numbers given. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded or withdrawn.

In reference to the component of the proposal relating to the limiting of farm product sales by Soil and Water Conservation Districts, officials from the **Department of Natural Resources** assume the proposed legislation requires the soil and water commission to publish in a paper of general circulation the soil and water district's request to market, buy and sell products used in soil and water conservation work.

ASSUMPTION (continued)

Notices of election for district board members are run for two days according to rule. Since the legislation does not state how many times the notice is to be published, the Department assumes the notification would also need run for two days. The Department assumes the average cost per advertisement is \$125 each time it is published.

Currently, there are 35 districts that sell some type of farm product for soil conservation work. The Department assumes that there would be an additional 10 districts added each year that would request approval from the commission to market, buy and sell products.

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 request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Oversight assumes there may be an unknown loss of income to some Soil and Water Conservation Districts that currently sell items that may not be approved if this proposal passes.

<u>FISCAL IMPACT - State Government</u>	FY 2001	FY 2002	FY 2003
	(10 Mo.)		

SOILS SALES TAX FUND

<u>Cost - Department of Natural Resources</u>			
Public notices	<u>(\$8,750)</u>	<u>(\$2,500)</u>	<u>(\$2,500)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2001	FY 2002	FY 2003
	(10 Mo.)		

Soil and Water Conservation Districts

<u>Loss - Soil and Water Conservation Districts</u>			
Revenue from sales	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

FISCAL IMPACT - Small Business

In reference to the component of the proposal relating to the limiting of farm product sales by

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Soil and Water Conservation Districts, the DNR noted that small businesses that sell farm products or supplies may be impacted.

DESCRIPTION

The State Soil and Water Districts Commission shall be composed of four ex-officio members and six farmer members. The Director of the Department of Conservation is added as the fourth ex-officio member. Four farmer members must be present in order to determine an action by the Commission and the chairperson may vote.

Additionally, Soil and Water Conservation District offices are required to publish notices and receive comment prior to sales of any farm products to the general public. The District office must also obtain permission to offer such products for sale from the Water Conservation Districts Commission. The District offices may sell farm products which are: 1) Not readily available in the area and 2) Are reasonably related to soil and water conservation.

A portion of this proposal is intended to prevent competition between the Soil and Water Conservation District offices and private businesses offering farm products for sale.

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
Department of Conservation
Department of Natural Resources
Office of the Attorney General
Office of the Secretary of State
University of Missouri



Jeanne Jarrett, CPA
Director
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