

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. NO.: 0327-01  
BILL NO.: SB 141  
SUBJECT: Department of Agriculture; Llamas  
TYPE: # Revised  
DATE: February 26, 2001  
 # Revised due to Oversight Subcommittee decision on February 26, 2001

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue#	(\$14,793)	(\$17,751)	(\$17,751)
School District Trust#	(\$4,931)	(\$5,917)	(\$5,917)
Conservation#	(\$616)	(\$740)	(\$740)
Parks and Soils#	(\$493)	(\$592)	(\$592)
<b>Total Estimated Net Effect on All State Funds#</b>	<b>(\$20,833)</b>	<b>(\$25,000)</b>	<b>(\$25,000)</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None	\$0	\$0	\$0
<b>Total Estimated Net Effect on All Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
<b>Local Government#</b>	<b>(\$7,396)</b>	<b>(\$8,875)</b>	<b>(\$8,875)</b>

Numbers within parentheses: ( ) indicate costs or losses  
 This fiscal note contains 3 pages.

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Department of Revenue** and the **Department of Agriculture** (AGR) assume the proposed legislation would have no fiscal impact on their agencies.

**#Oversight** assumes this proposal would allow llamas to be treated as livestock for sales tax purposes. According to officials from the AGR, there are approximately 4,500 llamas in Missouri. Based on information from other sources (Purina Mills), llamas eat approximately nine pounds of food per day and of the nine pounds, approximately two pounds would be commercial food. The estimated retail price per pound of food is \$0.20 to \$0.25.

**Total losses have been reduced to \$25,000 in total to the affected state funds to reflect a decision by the Oversight Subcommittee on February 26, 2001.**

<u>FISCAL IMPACT - State Government</u>	FY 2002	FY 2003	FY 2004
	(10 Mo.)		
<b>GENERAL REVENUE FUND</b>			
<u>Loss - Sales tax exemption#</u>	<u>(\$14,793)</u>	<u>(\$17,751)</u>	<u>(\$17,751)</u>
<b>SCHOOL DISTRICT TRUST FUND</b>			
<u>Loss - Sales tax exemption#</u>	<u>(\$4,931)</u>	<u>(\$5,917)</u>	<u>(\$5,917)</u>
<b>CONSERVATION SALES TAX FUND</b>			
<u>Loss - Sales tax exemption#</u>	<u>(\$616)</u>	<u>(\$740)</u>	<u>(\$740)</u>
<b>PARKS &amp; SOILS TAX FUND</b>			
<u>Loss - Sales tax exemption#</u>	<u>(\$493)</u>	<u>(\$592)</u>	<u>(\$592)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2002	FY 2003	FY 2004
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	(10 Mo.)		
<u>Loss - Sales tax exemption#</u>			
Cities#	(\$4,438)	(\$5,325)	(\$5,325)
County Aid Road Trust Fund#	<u>(\$2,958)</u>	<u>(\$3,550)</u>	<u>(3,550)</u>
	<u><b>(\$7,396)</b></u>	<u><b>(\$8,875)</b></u>	<u><b>(\$8,875)</b></u>

FISCAL IMPACT - Small Business

Small businesses that produce and sell llamas could be expected to be fiscally impacted by this proposal. Their production costs could be reduced by the amount of sales tax avoided.

DESCRIPTION

This bill adds llamas to the definition of livestock rather than exotic animals. Additionally, this bill adds llamas to Section 144.010 (4) for sales tax purposes.

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 Revenue



Jeanne Jarrett, CPA  
Director  
February 26, 2001