

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4555-01
Bill No.: SB 1165
Subject: Agriculture and Animals: Department of Agriculture
Type: Original
Date: February 28, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Pesticide Project Fund	\$1,111,346	\$1,109,567	\$1,107,057
Total Estimated Net Effect on <u>All</u> State Funds	\$1,111,346	\$1,109,567	\$1,107,057

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Treasurer** stated the proposed legislation would not fiscally affect their agencies.

Officials from the **Department of Agriculture (AGR)** stated the proposed legislation will require one Program Coordinator to administer this program, i.e., to account for all money and solicit, review and fund grant proposals. It would require the Program Coordinator to visit all funded projects 2-4 times per year to make sure requirements of grant and/or Memorandum of Understanding are being fulfilled. One clerical person would be needed to handle all clerical work such as typing Memorandum of Understandings, financial accounting, filing and other clerical work. All personal services funding will come from the "Pesticide Project Fund" and \$15 of each label fee would go to the General Revenue Fund, thus there would be no effect on that Fund.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
PESTICIDE PROJECT FUND			
<u>Income - Department of Agriculture</u>			
Pesticide Registration Fees	\$1,210,000	\$1,210,000	\$1,210,000
<u>Costs - Department of Agriculture</u>			
Personal Service Costs (2 FTE)	(\$60,034)	(\$73,842)	(\$75,688)
Fringe Benefits	(\$21,618)	(\$26,591)	(\$27,255)
Equipment and Expense	(\$17,002)	<u>\$0</u>	<u>\$0</u>
Total <u>Costs</u> - Department of Agriculture	<u>(\$98,654)</u>	<u>(\$100,433)</u>	<u>(\$102,943)</u>
NET ESTIMATED EFFECT ON PESTICIDE PROJECT FUND	<u>\$1,111,346</u>	<u>\$1,109,567</u>	<u>\$1,107,057</u>
<u>FISCAL IMPACT - Local Government</u>			
	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses that would register a pesticide would be affected by this proposal.

DESCRIPTION

Currently, anyone who sells or commercially transports pesticides pays an annual \$15 registration fee for each product to the General Revenue Fund. This proposal would increase the annual fee to \$125. The increased fee would take effect in calendar 2003. Revenue would be split between the Pesticide Project and General Revenue Funds (\$15 to General Revenue and the balance to the Pesticide Project Fund). The maximum balance in the Pesticide Project Fund would be \$5 million. Excess funds would revert to general revenue.

The Pesticide Project Fund would be administered by the Plant Industries Division of the Department of Agriculture. Up to 20% of the fund could be used for administration. Beginning July 1, 2003, 80% of the fund could be used for designated projects, including specified department programs.

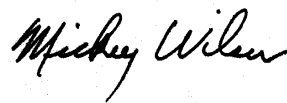
Allocation of project funds would require an executed memorandum of understanding between the department and the applicant. Before each fiscal year, applicants would submit proposals to the department by March 31. Successful applicants would submit a project report within 30 days after the end of the fiscal year. Project revenue that is not spent or obligated would revert to the fund 60 days after the project is completed. The department could require applicants that do not complete their projects as intended to make partial or full repayments.

The proposal would also allow the department to deny, cancel, suspend, or revoke the registration of a pesticide if the product is found to be harmful to humans or the environment.

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

SOURCES OF INFORMATION

Department of Agriculture
Office of State Treasurer



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Acting Director
February 27, 2002

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