

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1361-03
Bill No.: HCS for HB 430
Subject: Agriculture and Animals; Drugs and Controlled Substances; Revenue Dept.
Type: Original
Date: April 25, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety** assume no fiscal impact to their agency.

Officials from the **Department of Agriculture (AGR)** assume their records indicate there are approximately 200 anhydrous ammonia facilities in the state. AGR assume that because an additive could be injected at any point in the distribution system, each facility could conceivably make a request for reimbursement.

The AGR assumes this proposal requires the AGR to process reimbursement requests from anhydrous ammonia distributors dependent upon availability of money from the fund created for this purpose. They anticipate the need for a clerical staff person to be responsible for receiving disbursement requests with appropriate receipts/ documentation; verifying the information; coding requests for payment; sending out disbursements to distributors; and working with the department of revenue to ensure funds are used as specified in this proposal. They are assuming reimbursement requests would be received on a monthly basis. The department anticipates utilizing .5 FTE for this proposal. They assume the expenses for this person would be paid from General Revenue funds since the use of the Anhydrous Ammonia Additive Fund is restricted to reimbursement to distributors for cost of adding additive to anhydrous ammonia.

Oversight assumes anticipated need of .5 FTE and additional expenses would be accomplished during the normal budgetary process. Therefore, Oversight assumes the initial administrative impact of this proposal is \$0.

Officials from the **State Treasurer's Office (STO)** assume this proposal creates the anhydrous Ammonia Additive Fund" (266.359.2)

- in the state treasury
- state treasurer shall be custodian of the fund
- treasurer shall "approve disbursements from the fund in accordance with sections 30.170 and 30.180, RSMo" (we don't approve disbursements)
- money in the fund shall be used solely to reimburse anhydrous ammonia distributors for the cost of adding an additive to anhydrous ammonia as a deterrent to methamphetamine production
- exempt from the biennial transfer, however, any money remaining in the fund on the termination date of the fund due to the sunset clause shall revert to the credit of GR
- retains interest earnings

The STO only ensures they are made from a lawful appropriation and don't exceed the amount of the appropriation. According to the STO this wording needs to be removed. If it isn't removed, They will need an FTE (Analyst I - \$36,444 plus E&E) to monitor these disbursements.

Officials from the **Department of Revenue** assume this proposal provides reimbursements for the costs, distributors of anhydrous ammonia, sustain from adding red dye to their products as a methamphetamine deterrent. The Department of Revenue does not anticipate a fiscal impact at this time.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

Yes, if the small business is a dealer of anhydrous ammonia, they will receive reimbursements for the costs of adding red dye to their product.

DESCRIPTION

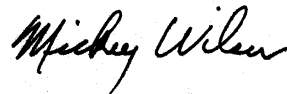
This bill creates the Anhydrous Ammonia Additive Fund to reimburse distributors of anhydrous ammonia for the actual cost of adding red dye to the ammonia. Distributors add a red dye to anhydrous ammonia to render it unusable and prevent it from being stolen for methamphetamine production. The fund may accept money from any private or governmental source and will be administered by the Department of Agriculture.

The provisions of the bill will expire six years from the effective date.

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
State Treasurer's Office
Department of Revenue
Department of Public Safety



Mickey Wilson, CPA
Director
April 25, 2005