

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2626-01
Bill No.: HB 1253
Subject: Agriculture Department; Cities, Towns, and Villages
Type: Original
Date: March 30, 2015

Bill Summary: This proposal establishes the “Organic-Ready City Designation Program”.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	(\$295,375)	(\$164,894)	(\$167,807)
Total Estimated Net Effect on General Revenue	(\$295,375)	(\$164,894)	(\$167,807)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	1 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	1 FTE	1 FTE	1 FTE

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Oversight was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

§ 261.330 - Organic-Ready City Designation Program:

Oversight notes in response to a similar proposal from 2015 (HB 882) the “Agri-County Designation Program” the **Department of Agriculture (AGR)** assumed the following estimated costs to implement and coordinate the “Agri-County Program”. Oversight will use these cost estimates to provide a cost estimate for the “Organic-Ready City Designation Program”.

One Agriculture Manager Band 2 with an annual salary of (\$50,000)
Signs (approximately 5 per county) - (\$15,000)
Logo Development and Messaging - (\$5,000)
In-State Travel - (\$10,000)
Supplies - (\$10,000)
Professional Development - (\$5,000)
Communication Services - (\$1,810)
Office Equipment - (\$6,124)

AGR estimates ITSD costs of (\$186,907) in FY16 to implement the program. Ongoing ITSD costs would be (\$40,151) in FY16 and (\$41,097) in FY17.

Officials from the **City of Jefferson** assume the proposal would not likely result in an increase in property or sales tax because organic farmers and community gardens don’t generally pay property tax or sales tax. The city expects no measurable fiscal impact from this proposal.

Officials from the **Department of Economic Development** assume the proposal would not fiscally impact their agency.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
GENERAL REVENUE FUND			
<u>Costs - AGR</u>			
§ 261.330 - Organic-Ready City Designation Program			
ITSD programming expense	(\$186,907)	(\$40,151)	(\$41,097)
Personal Service	(\$41,667)	(\$50,500)	(\$51,005)
Fringe Benefits	(\$21,669)	(\$26,263)	(\$26,525)
Expense and Equipment	<u>(\$45,132)</u>	<u>(\$47,980)</u>	<u>(\$49,180)</u>
<u>Total Costs - AGR</u>	<u>(\$295,375)</u>	<u>(\$164,894)</u>	<u>(\$167,807)</u>
FTE Change - AGR	1 FTE	1 FTE	1 FTE
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$295,375)</u>	<u>(\$164,894)</u>	<u>(\$167,807)</u>
Estimated Net FTE Change for the General Revenue Fund	1 FTE	1 FTE	1 FTE
 <u>FISCAL IMPACT - Local Government</u>	 FY 2016 (10 Mo.)	 FY 2017	 FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

§ 261.330 - Organic-Ready City Designation Program:

Small business organic farmers, community gardens or farmers markets in cities where an Organic City Designation is obtained may experience a positive economic impact from this proposal.

FISCAL DESCRIPTION

§ 261.330 - Organic-Ready City Designation Program:

This proposal creates the Organic-Ready City Designation Program within the Department of Agriculture. The program is a voluntary program by which a municipality may apply to become designated as an Organic-Ready City.

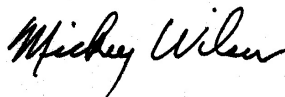
To qualify as an organic-ready city, the municipality must meet certain requirements that show the county encourages the use of locally grown organic food and promotes urban agriculture. By March 31, 2016, the department must establish application requirements and review procedures for the program. Any municipality that receives an organic-ready designation must submit a report annually to the department. The report may not be longer than one page and the department must allow on-line submission of the report. If the department determines a county no longer meets the requirements of the program, it may withdraw the designation.

The department must develop an organic-ready city logo and any municipality designated as an organic-ready county may use the logo on any sign, brochure, website, or other marketing material. Any organic-ready city may request the Department of Transportation erect and maintain signs designating it as organic-ready, with the cost to be paid for by the municipality. The department must publish and maintain a list of organic-ready cities on its website

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 Economic Development
City of Jefferson



Mickey Wilson, CPA
Director
March 30, 2015

Ross Strobe
Assistant Director
March 30, 2015