

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4671-01  
Bill No.: HB 2127  
Subject: Agriculture; Department of Agriculture  
Type: Original  
Date: January 28, 2020

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Bill Summary: This proposal changes provisions governing alien and foreign ownership of agricultural land.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<b>Local Government</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Department of Agriculture, Office of Administration** and **Department of Transportation** each assume the proposal will have no fiscal impact on their respective organizations.

**Oversight** notes that the agencies mentioned above have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

Officials from the **Warren County Assessor’s Office** assume this proposal has an unknown cost to implement and maintain a system for the county. Costs could range from \$10,000 to \$200,000 to start-up and yearly maintenance could range from \$5,000 to \$40,000.

**Oversight** assumes county assessors will incur costs related to this proposal; however, those costs are unknown at this time. Oversight will reflect an unknown cost to County Assessors on the fiscal note.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other county assessors were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

<b><u>FISCAL IMPACT - State Government</u></b>	<b>FY 2021 (10 Mo.)</b>	<b>FY 2022</b>	<b>FY 2023</b>
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
<b>COUNTY ASSESSORS</b>			
<u>Cost</u> - implement system to track foreign ownership of agricultural land	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON COUNTY ASSESSORS</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

Currently, no more than 1% of total aggregate agricultural acreage in the state may be owned by a foreign ownership. This bill specifies that after August 28, 2020, no more than 1% of the total aggregate agricultural acreage in any county may be owned by an foreign ownership.

Beginning August 28, 2020, any proposed acquisition of agricultural land must be submitted to the county assessor to determine whether the acquisition is in accordance with the 1% restriction on foreign ownership and each assessor must develop a system to track and determine percentages of foreign ownership in the county. In addition, any individual or entity that acquires agricultural land must include a statement of the ownership percentage and citizenship of each individual or entity involved in the sale or transfer when the sale is recorded in the Office of the Recorder of Deeds. The statement must included certain information specified in the bill. After the statement is recorded, the Recorder of Deeds must transmit a copy to the Department of Agriculture within 30 days.

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  
Office of Administration  
Department of Transportation  
Warren County Assessor's Office



Julie Morff  
Director  
January 28, 2020



Ross Strope  
Assistant Director  
January 28, 2020