

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0080H.01I
Bill No.: HB 506
Subject: Agriculture; Department of Agriculture
Type: Original
Date: January 6, 2021

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

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|--|----------------|----------------|----------------|
| FUND AFFECTED | FY 2022 | FY 2023 | FY 2024 |
| | | | |
| Total Estimated Net Effect on General Revenue | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2022 | FY 2023 | FY 2024 |
| | | | |
| 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 2022 | FY 2023 | FY 2024 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2022 | FY 2023 | FY 2024 |
| | | | |
| | | | |
| Total Estimated Net Effect on FTE | 0 | 0 | 0 |

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 2022 | FY 2023 | FY 2024 |
| | | | |
| Local Government | \$0 or (Unknown) | \$0 | \$0 |

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Department of Agriculture, Office of Administration** and **Missouri Department of Transportation** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Oversight assumes county assessors may incur costs related to this proposal to “develop a system for tracking and determining the percentages of alien and foreign ownership of agricultural land in the county”. However, those costs are unknown at this time and Oversight will reflect a potential unknown cost to County Assessors in FY 2022 on the fiscal note. Oversight will assume counties could administer the requirement in future years with existing resources.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, 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.

| <u>FISCAL IMPACT –</u> <u>State Government</u> | FY 2022 (10 Mo.) | FY 2023 | FY 2024 |
|---|---------------------|---------|---------|
| | | | |
| | | | |

| <u>FISCAL IMPACT –</u> <u>Local Government</u> | FY 2022 (10 Mo.) | FY 2023 | FY 2024 |
|---|----------------------------|------------|------------|
| COUNTY ASSESSORS | | | |
| <u>Cost - implement</u> system to track foreign ownership of agricultural land | <u>\$0 or</u> (Unknown) | <u>\$0</u> | <u>\$0</u> |
| ESTIMATED NET EFFECT ON COUNTY ASSESSORS | <u>\$0 or</u> (Unknown) | <u>\$0</u> | <u>\$0</u> |

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

This bill specifies that after August 28, 2021, no alien or foreign business may acquire any substantial interest in any agriculture-related business. This does not apply to any foreign entity that acquired such interest prior to August 28, 2021.

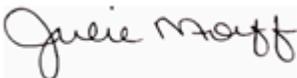
Currently, no more than 1% of total aggregate agricultural acreage in the state may be owned by a foreign ownership. The bill also specifies that after August 28, 2021, no more than 1% of the total aggregate agricultural acreage in any county may be owned by foreign ownership.

Beginning August 28, 2021, 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 include 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

Missouri Department of Agriculture
Office of Administration
Missouri Department of Transportation



Julie Morff
Director
January 6, 2021



Ross Strobe
Assistant Director
January 6, 2021