

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3735H.01I
Bill No.: HB 2043
Subject: Agriculture; Department of Agriculture; Animals; Fees
Type: Original
Date: March 4, 2024

Bill Summary: This proposal establishes a controlled livestock grazing program within the Department of Agriculture.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Controlled Livestock Grazing Program Fund*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

*Assumption of income (permit fees) and costs (Missouri Department of Agriculture expenses) netting to zero.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Controlled Livestock Grazing Program Fund	3 FTE	3 FTE	3 FTE
Total Estimated Net Effect on FTE	3 FTE	3 FTE	3 FTE

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Department of Agriculture (MDA)** assume 3 FTE (2 Animal Health Officers and 1 Program Coordinator) will be required to establish this program. This proposal could have a much larger impact but without more specifics (type of animal that is grazing, who or where the grazing land is, and other important definitions such as what the controlled grazing operations are) it is difficult to give an accurate estimate. MDA would also want to ensure this does not impact land leasing for livestock that already takes place.

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by MDA. Oversight notes the proposal creates a new fund, the “Controlled Livestock Grazing Program Fund” and is subject to appropriation. Therefore, Oversight will range the fiscal impact from \$0 (fund does not receive appropriations or no applicants for a controlled livestock grazing contractor permit) to “Up to...” the cost estimates provided by MDA (fund receives appropriations or enough applicants to warrant three (3) additional FTE). The proposal does not indicate which fund any permit fees would be deposited into; therefore, for fiscal note purposes, Oversight will assume any permit fees will be deposited into the new fund.

Officials from the **Office of the State Treasurer** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** note many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
CONTROLLED LIVESTOCK GRAZING PROGRAM FUND			
<u>Revenue</u> – MDA – permit fees	\$0 or Up to \$454,286	\$0 or Up to \$317,068	\$0 or Up to \$322,474
<u>Costs</u> - MDA	\$0 or Up to...	\$0 or Up to...	\$0 or Up to...
Personnel Service	(\$168,485)	(\$171,855)	(\$175,292)
Fringe Benefits	(\$109,788)	(\$111,049)	(\$112,335)
Expense & Equipment	(\$176,013)	(\$34,164)	(\$34,847)
<u>Total Costs</u> - MDA	<u>(\$454,286)</u>	<u>(\$317,068)</u>	<u>(\$322,474)</u>
FTE Change	3 FTE	3 FTE	3 FTE
ESTIMATED NET EFFECT ON THE CONTROLLED LIVESTOCK GRAZING PROGRAM FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Estimated Net FTE Change on the Controlled Livestock Grazing Program Fund	3 FTE	3 FTE	3 FTE

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

Small livestock operations could be impacted as a result of this proposal.

FISCAL DESCRIPTION

This bill requires the Department of Agriculture to establish a controlled livestock grazing program in order to provide standards for controlled livestock grazing operations in the clearing of vegetation from land. The bill specifies minimum requirements to be included in the program. A person who desires to conduct a controlled livestock grazing operation must obtain a permit from the Department.

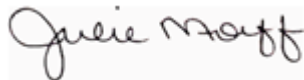
A person who meets the requirements of the program and obtains a permit may temporarily place structures or enclosures for livestock used in the operation. These structures or enclosures do not have to comply with the state fencing requirements.

This bill creates the "Controlled Livestock Grazing Program Fund" used for the implementation and administration of the controlled livestock program.

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 the State Treasurer
Office of the Secretary of State
Joint Committee on Administrative Rules



Julie Morff
Director
March 4, 2024



Ross Strobe
Assistant Director
March 4, 2024