

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1479H.01I
Bill No.: HB 422
Subject: Agriculture; Department of Agriculture
Type: Original
Date: April 20, 2025

Bill Summary: This proposal modifies the definition of commercial feed to include industrial hemp.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue*	Could exceed (\$1,379,369)	Could exceed (\$666,320)	Could exceed (\$675,553)
Total Estimated Net Effect on General Revenue	Could exceed (\$1,379,369)	Could exceed (\$666,320)	Could exceed (\$675,553)

***Oversight** notes the Department of Agriculture requires 6 FTE and system updates to test hemp used in commercial feed to comply with §195.010.2.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue (MDA)	6 FTE	6 FTE	6 FTE
Total Estimated Net Effect on FTE	6 FTE	6 FTE	6 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 2026	FY 2027	FY 2028
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Section 266.160 – Commercial Feed

Officials from the **Missouri Department of Agriculture (MDA)** state that MDA is a consolidated agency. The MDA estimates 30 hours of Systems Development assistance during MOPlants (existing) and SAFHER (potential future) updates. MOPlants and SAFHER are web-based applications the MDA use to process our inspections, labeling, samples, laboratory analysis, and enforcement tracking. The changes will require our contractor (Acclaim) to update the applications (\$25,000).

The MDA states that it is a violation of the Federal Food, Drug, and Cosmetic Act (the FD&C Act) to introduce unapproved ingredients into animal food. Hemp is not an approved ingredient for animal food under the FD&C Act. Any animal food containing hemp that is introduced into interstate commerce is a violation of the FD&C Act. The department will be tasked with documenting and enforcing violations of the FD&C Act.

The MDA anticipates significant legal costs associated with hemp-containing animal foods that are introduced into interstate commerce in violation of federal and other states' laws (\$10,000).

The Document Control System update and other listed laboratory costs are functional requirements to run the additional sampling (\$104,000).

The MDA will require the following FTE:

2 Senior Consumer Specialists (\$44,000) - will inspect the manufacture and distribution of animal food that contains hemp, sample animal food that contains hemp, document violations of the Missouri Commercial Feed Law and the corresponding regulations, and document violations of the FD&C Act.

2 Enforcement, Compliance, and Labeling Specialists (\$46,228) - will review all inspection/investigation documentation for hemp related violations of the FD&C Act, prepare and issue enforcement actions against persons who violate the Missouri Commercial Feed Law and the corresponding regulations, and prepare and refer violations of the FD&C Act to the U.S. Food and Drug Administration.

2 Senior Laboratory Scientists (\$53,605) - will develop hemp testing protocols and standards, prepare samples, and perform tests for THC, CBD, other cannabinoids, mycotoxins, heavy metals, and other deleterious constituents in sampled hemp and animal food.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the impact as estimated by the MDA in the fiscal note.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
GENERAL REVENUE FUND (0101)			
<u>Cost –MDA - \$266.160</u>			
Personal Service	(\$239,772)	(\$293,419)	(\$299,288)
Fringe Benefits	(\$175,041)	(\$212,354)	(\$214,707)
Equipment and Expense	(\$825,556)	(\$50,547)	(\$51,558)
<u>Total Cost – MDA</u>	<u>(\$1,240,369)</u>	<u>(\$556,320)</u>	<u>(\$565,553)</u>
FTE Change – MDA	6 FTE	6 FTE	6 FTE
<u>Other Cost - MDA</u>	Could exceed	Could exceed	Could exceed
MOPlants update	(\$10,000)	\$0	\$0
SAFHER update	(\$15,000)	\$0	\$0
Legal/Hearing costs	(\$10,000)	(\$10,000)	(\$10,000)
Document Control System update	(\$4,000)	\$0	\$0
Laboratory tests/reagents/hazardous waste/proficiency testing/increase ISO/IEC accreditation	(\$100,000)	(\$100,000)	(\$100,000)
<u>Total Other Cost – MDA</u>	<u>(\$139,000)</u>	<u>(\$110,000)</u>	<u>(\$110,000)</u>
ESTIMATED NET EFFECT TO GENERAL REVENUE FUND	Could exceed <u>(\$1,379,369)</u>	Could exceed <u>(\$666,320)</u>	Could exceed <u>(\$675,553)</u>
<u>Estimated Net FTE Change to the General Revenue Fund</u>	<u>6 FTE</u>	<u>6 FTE</u>	<u>6 FTE</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

There may be an impact to small business if there is a charge to test industrial hemp added to commercial feed


FISCAL DESCRIPTION

The bill modifies the definition of "commercial feed" as part of Missouri Commercial Feed Law to include industrial hemp.

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



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April 20, 2025



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April 20, 2025