

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2052-01  
Bill No.: HB 904  
Subject: Agriculture and Animals; Agriculture Dept.;  
Type: Original  
Date: March 29, 2011

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Bill Summary: This proposal removes the requirement that the Department of Agriculture must publish the list of livestock brands in a book format.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Livestock Brands Fund	Unknown	Unknown	Unknown
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>Unknown</b>	<b>Unknown</b>	<b>Unknown</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 2012</b>	<b>FY 2013</b>	<b>FY 2014</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 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials at the **Department of Agriculture** (AGR) assumes this proposal removes the requirement that the Department print a livestock brands book and instead requires the list to be available on the internet.

AGR states, there will be costs associated with making the brand book available on-line and the on-going maintenance and updating of the on-line brand book. However, those costs are not expected to exceed the printing and postage savings associated with this legislation.

AGR states, the Division of Animal Health has an E&E appropriation to pay printing and postage expenses of the Livestock Brands book from the Livestock Brands Fund.

AGR states, the department would save the printing and postage costs of the livestock brands book (printed once every 5 years) and the yearly supplements (in years when a new brand book isn't printed).

AGR states, the livestock brands book is printed once every 5 years. It was last printed in FY10 at a cost of \$8,705. Associated postage costs were \$1,876 in FY10, bringing total costs for printing and postage to \$10,581.

AGR states, a new livestock brands book will not be printed until FY15. However, an annual supplement to the brands book is printed each year at a cost of approximately 5 percent of the new book. Therefore, only the costs of the supplement ( $\$10,581 \times 5\% = \$529$ ) will be saved in FY11 through FY14. In FY15 total costs of approximately \$11,000 would be avoided as a result of this legislation.

AGR assumes there will be IT costs associated with moving the document to the internet along with on-going maintenance and update expenses. The exact dollar amount of those costs is unknown but for purposes of this fiscal note they are assumed to not exceed annual savings from not printing the supplement.

AGR states, livestock brand registration fees and brand book sales revenues are deposited into the Livestock Brands Fund. Those fee revenues are used to pay for the printing and postage costs of this program. Although there will be a reduction in fee revenues due to the on-line availability of the brand book, the Department expects cost savings to offset most if not all of the revenue reductions.

KB:LR:OD

ASSUMPTION (Continued)

**Oversight** assumes, as a result of this proposal, the Department of Agriculture would experience an unknown savings to the Livestock Brands Fund, related to the Livestock Brands Book and annual supplemental's availability online.

**Oversight** assumes the majority of the savings related to this proposal will be experienced outside of the fiscal note period in FY15, and every five years thereafter. However, an unknown savings to the Livestock Brands Fund, related to the cost of printing and mailing the annual supplemental, would occur within the fiscal note period.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
<b>LIVESTOCK BRANDS FUND</b>			
<u>Revenue - Paper Copy Livestock Brands Books Sold</u>	Unknown	Unknown	Unknown
<u>Savings - Free Printed Livestock Brands Books Now Available on the Internet</u>	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
<u>Cost - Website Maintenance and Updates</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON LIVESTOCK BRANDS FUND</b>	<b><u>Unknown</u></b>	<b><u>Unknown</u></b>	<b><u>Unknown</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

Savings to small livestock brand businesses would be expected as the Livestock Brands book would be available online at no cost.

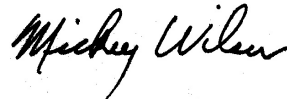
### FISCAL DESCRIPTION

Under current law, the Department of Agriculture must publish a book of all livestock brands on record and must send copies of the book to all county recorders of deeds, livestock markets, and slaughter plants. This act removes the requirement that the Department must publish the list of brands in book form, and instead requires the Department to make the list available to the public on the Internet. The act also removes the requirement that the Department send a book to the counties, livestock markets, and slaughter plants.

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



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