

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1975-02
Bill No.: HB 891
Subject: Agriculture and Animals; Agriculture Department
Type: Original
Date: April 5, 2013

Bill Summary: This proposal modifies fees relating to agricultural weights and measures.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue*	\$33,990	\$100,485	\$139,000
Total Estimated Net Effect on General Revenue Fund	\$33,990	\$100,485	\$139,000

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Agriculture Protection Fund*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

* Fees will be set to cover costs of the program replacing existing general revenue.

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on FTE	0	0	0

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).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§§ 64.196, 323.100 and 413.225 - Propane meters and metrology lab fees:

Officials from the **Department of Agriculture (AGR)** assume the propane meter and metrology lab programs will be more self sufficient from fees collected and deposited to the Agriculture Protection fund (APF) as a result of this proposal. All additional revenues will be used to cover program costs will be appropriated from the APF.

AGR states there will be a savings to general revenue in the amount of the increased fee revenues.

AGR assumes the following changes to propane meter and metrology lab fees.

Propane Meters:

Propane meter fees will increase from \$10/meter to \$40/meter on January 1, 2014 and from \$40 to \$85/meter on January 1, 2015.

Estimated FY14 revenue increase for APF = 433 propane meters (one-third of total will be inspected in the first 6 months) X \$30/meter additional revenue = \$12,990

Estimated FY15 revenue increase for APF:

- 867 propane meters (two-thirds of total will be inspected at the \$40/meter rate in the first 6 months of the FY) X \$30/meter additional revenue = \$26,010.
- 433 propane meters (one third of the total will be inspected in the last 6 months of the FY) X \$75/meter additional revenue = \$32,475
- Total FY15 additional revenues = \$58,485

FY 16 revenues = 1,300 meters X \$75/meter additional revenue = \$97,500

ASSUMPTION (continued)

In response to similar legislation from 2013 (SB 373), AGR provided the following fiscal impact for the metrology laboratory program.

Metrology Laboratory:

Metrology calibration fees will increase from \$60/hour to \$120/hour on January 1, 2014.

Estimated FY14 revenue increase for APF = 350 hours X \$60/hour additional revenue = \$21,000.

FY 15 and FY16 revenues = 700 hours X \$60/hour additional revenue = \$42,000.

AGR assumes total revenues to the APF would increase by the amounts listed below.

FY 14: Propane Meter \$12,990 + Metrology Lab \$21,000 = \$33,990

FY 15: Propane Meter \$58,485 + Metrology Lab \$42,000 = \$100,485

FY 16: Propane Meter \$97,500 + Metrology Lab \$42,000 = \$139,000

Oversight assumes the Director of Agriculture will set fees to cover the cost of the propane meter and metrology lab programs resulting in a savings to general revenue equal to the increased fee revenue set by AGR to the Agriculture Protection Fund but no more than \$120 per propane meter starting January 1, 2015.

This proposal could increase Total State Revenues.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
GENERAL REVENUE FUND			
<u>Savings - AGR</u>			
§§ 323.100 and 413.225 - Reduced general revenue appropriation for weights and measures programs	<u>\$33,990</u>	<u>\$100,485</u>	<u>\$139,000</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>\$33,990</u>	<u>\$100,485</u>	<u>\$139,000</u>
AGRICULTURE PROTECTION FUND			
<u>Revenue - AGR</u>			
§§ 323.100 and 413.225 - Increased fee revenue for Propane Meters and Metrology lab programs	\$33,990	\$100,485	\$139,000
<u>Cost - AGR</u>			
§§ 323.100 and 413.225 - Operating expense of Propane Meters and Metrology lab programs	<u>(\$33,990)</u>	<u>(\$100,485)</u>	<u>(\$139,000)</u>
ESTIMATED NET EFFECT ON THE AGRICULTURE PROTECTION FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>			
	FY 2014 (10 Mo.)	FY 2015	FY 2016
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses that pay metrology and propane meter fees will now pay these fees at a higher rate.

FISCAL DESCRIPTION

§§ 323.100 and 413.225 - Propane meters and metrology lab fees:

This proposal prohibits a county building ordinance from conflicting with the laws governing liquefied petroleum gas installations.

Currently, AGR charges \$10 per test to test liquid meters used for the measurement and retail sale of liquefied petroleum gas.

This proposal, as of January 1, 2014, increases the testing fee to \$40 per meter and allows the department director, as of January 1, 2015, to set the testing fee per meter at a rate to cover the expenses of the testing, except the fee cannot be set at more than \$120 per meter.

The Division of Weights and Measures within the department is also authorized to compute the charges for metrology calibrations to the nearest quarter of an hour rather than the nearest hour and set the fee at a rate that will not yield more revenue than is necessary to run the metrology laboratory.

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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