

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1854-02
Bill No.: HB 833
Subject: Conservation Department; Property, Real and Personal
Type: Original
Date: April 20, 2015

Bill Summary: This proposal establishes the Forestry Management Consortium to review and prescribe management plans for forest lands owned by the Department of Conservation.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Conservation Commission	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
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 2016	FY 2017	FY 2018
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Oversight was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

§§ 254.310 and 254.315 - State Forest Management:

Officials from the **Department of Conservation (MDC)** note forest plans are currently developed for MDC lands. MDC inventories forestland on a 20 year re-entry cycle, meaning MDC returns to the same stand of forestland on a 20 year rotation to determine growth and forest health.

MDC notes MDC staff mark timber and develop forest plans annually for approximately 20,000 forestland acres of the approximately 600,000 total acres MDC manages.

MDC currently has 1 FTE position to coordinate statewide management plans for MDC's publicly owned forests. At the regional level MDC has a total forestry management budget of \$9.9 million. Approximately \$5 million is spent on MDC public land forest management, which is dedicated to providing forest management plans, inventories, and surveys of trees, etc.

MDC assumes under this proposal the "Forestry Management Consortium" would develop forest management plans with expenses reimbursed by MDC. MDC has no way of knowing how many timber plans the consortium can develop each year.

Oversight assumes this proposal would shift the development of forest management plans from MDC to the "Forestry Management Consortium".

Oversight assumes MDC would implement the forest management plans developed by the "Forestry Management Consortium" and all expenses of the "Forestry Management Consortium" would be paid for by MDC.

Oversight assumes MDC already develops, reviews, and implements forest management plans for state owned forests in a 20 year re-entry cycle.

ASSUMPTION (continued)

Oversight will range the fiscal impact from \$0 (current expenses continue but as reimbursement to consortium) or an (Unknown) cost to the Conservation Commission Fund if the “Forestry Management Consortium” were to increase the requirements to implement forest management plans, resulting in additional cost to MDC.

Officials from the **Department of Natural Resources** assume the proposal would not fiscally impact their agency.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
CONSERVATION COMMISSION FUND			
<u>Costs - MDC</u>			
§ 254.315 - Reimbursement of expenses to the “Forestry Management Consortium”	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
ESTIMATED NET EFFECT TO THE CONSERVATION COMMISSION FUND	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<u>\$0</u>	<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

§§ 254.310 and 254.315 - State Forest Management:

This proposal requires the Department of Conservation, the Conservation Commission, and the state forester to manage state-owned forest land for current and future generations and eliminate the practice of clear cutting on state-owned forest land.

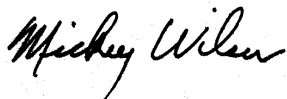
This proposal creates the Forestry Management Consortium to review and prescribe management plans for each tract of state-owned forest land. The consortium will consist of representation from the Missouri Forest Products Association, the Missouri Consulting Foresters Association, the University of Missouri School of Natural Resources and the U.S. Department of Agriculture Forest Service North Central Research Station. The consortium will develop criteria to assess the condition and health of each tract of state owned forest land and the department will assess each tract using the criteria.

The forestry management consortium will develop and prescribe a management plan for each tract of state-owned forest land to maximize the health and timber production of the land. The Department of Conservation must implement each management plan developed and approved by the forestry management consortium. All necessary expenses incurred by the forestry management consortium will be paid for by the Department of Conservation.

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 Conservation
Department of Natural Resources



Mickey Wilson, CPA
Director
April 20, 2015

Ross Strope
Assistant Director
April 20, 2015