

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0868-01  
Bill No.: Perfected HB 587  
Subject: Agriculture; Trees and Other Plants  
Type: #Updated  
Date: May 1, 2019  
 #Updated with Department of Agriculture and Oversight assumptions

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Bill Summary: This proposal repeals the Missouri Treated Timber Law.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
#Agriculture Protection Fund (0970)	(\$14,417)	(\$17,300)	(\$17,300)
<b>Total Estimated Net Effect on Other State Funds</b>	<b>(\$14,417)</b>	<b>(\$17,300)</b>	<b>(\$17,300)</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</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 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
#Agriculture Protection Fund	2 FTE	2 FTE	2 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>2 FTE</b>	<b>2 FTE</b>	<b>2 FTE</b>

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Agriculture (AGR)** assume this proposal will eliminate the Treated Timber Law. Based on FY 2018 figures, AGR will no longer collect \$17,300 in annual license revenue. Net annual program expenses savings (\$246,889) will go to unmet current needs in the Plant Industries Division.

#Historically, the Treated Timber program has been supported by Pesticide Product Registration fees. However, the Pesticide Product Registration fees will no longer be used to support the Feed, Seed and Treated Timber program; therefore, funding from that particular fee will stay within the Pesticide Control and Plant Pest programs. The savings from eliminating the Treated Timber program will be reallocated to the Pesticide Control and Plant Pest programs and be used for priority items, like the two unfilled Pesticide Use Investigators FTE and necessary IT upgrades.

**Oversight** notes the following from AGR's FY 2019 budget request:

	<b>2015 Actual</b>	<b>2016 Actual</b>	<b>2017 Actual to Date</b>	<b>2017 Projected</b>	<b>2018 Projected</b>	<b>2019 Projected</b>	<b>2020 Projected</b>
Treated Timber Producers	55	48	49	50	50	55	55
Treated Timber Dealers	847	849	840	850	855	860	865

Oversight notes treated timber producers must pay an annual license fee of \$200 and treated timber dealers must pay an annual fee of \$15.

Oversight notes the Agriculture Protection Fund (0970) had a fund balance of \$4,214,858 as of February 28, 2019.

Oversight does not have any information to the contrary in regards to AGR's assumptions; therefore, Oversight will reflect AGR's loss of revenue (\$17,300) and program savings (\$246,889) on the fiscal note.

ASSUMPTION (continued)

#Additionally, Oversight will show the department's reallocation of \$246,889 to the Pesticide Control and Plant Pest programs for IT costs and two currently vacant FTE that will be filled with the savings from the repeal of this program.

Officials from the **Office of the State Courts Administrator (OSCA)** assume the proposal will have no fiscal impact on their organization.

**Oversight** notes that OSCA has stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for OSCA.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
<b>AGRICULTURE PROTECTION FUND</b>			
<u>Savings</u> - AGR - program savings from the repeal of the Treated Timber Law	\$205,741	\$246,889	\$246,889
<u>#Cost</u> - AGR - reallocation of funds from the repeal of the Treated Timber Law (remaining funds after filling two vacant positions)	(\$107,943)	(\$128,611)	(\$127,681)
<u>#Cost</u> - AGR- filling of two vacant positions due to the reallocation of funds from the repeal of the Treated Timber Law			
Personal Services	(\$58,847)	(\$71,322)	(\$72,035)
Fringe Benefits	<u>(\$38,951)</u>	<u>(\$46,956)</u>	<u>(\$47,173)</u>
Total Costs - AGR	(\$97,798)	(\$118,278)	(\$119,208)
FTE Change - AGR	2 FTE	2 FTE	2 FTE
<u>Loss</u> - AGR - loss of annual fees for treated timber	<u>(\$14,417)</u>	<u>(\$17,300)</u>	<u>(\$17,300)</u>
<b>#ESTIMATED NET EFFECT ON THE AGRICULTURE PROTECTION FUND</b>	<b><u>(\$14,417)</u></b>	<b><u>(\$17,300)</u></b>	<b><u>(\$17,300)</u></b>
<u>#Estimated Net FTE Change to the Agriculture Protection Fund</u>	2 FTE	2 FTE	2 FTE
<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

Treated timber producers and dealers will no longer have to pay annual fees.

FISCAL DESCRIPTION

This bill repeals the Missouri Treated Timber Law (Sections 280.005 to 280.140, RSMo).

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  
Office of the State Courts Administrator



Kyle Rieman  
Director  
May 1, 2019

Ross Strope  
Assistant Director  
May 1, 2019