COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4333-02
Bill No.: SCS for HB 1837
Subject: Energy: Agriculture and Animals
Type: Original
Date: April 16, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Missouri Qualified Fuel Ethanol Producer Incentive	$0	$0	$0
Total Estimated Net Effect on All State Funds	**$0**	**$0**	**$0**

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on All Federal Funds	**$0**	**$0**	**$0**

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	**$0**	**$0**	**0**

Numbers within parentheses: ( ) indicate costs or losses.
This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Secretary of State** assume the proposed legislation would have no fiscal impact on their agency.

Officials of the **Department of Agriculture** stated that the proposal would not affect the Department, administratively. They noted that the future cost to the incentive program to make up for the lack of funding for ethanol grants during the last months of FY 2002 (and any future funding shortfalls). The additional costs would not be incurred until May of 2005 because the first ethanol plant's original sixty month eligibility period runs through April of 2005.

Oversight assumes that there could be additional payments made from the Missouri Qualified Fuel Ethanol Producer Incentive Fund compared to current law beginning in FY 2005. (Oversight notes that Fund appropriations for FY 2001 were $5,635,741 and expenditures were $4,524,990. Fund appropriations for FY 2002 were $4,342,546. Expenditures for FY 2002 are not final. Oversight, given the size of the program, assumes that additional grants compared to current law could exceed $100,000 in a given fiscal year.)

Continued funding during the extended period would be for the funding not claimed in previous years. Any additional amounts above would be requested through the appropriation process.

FISCAL IMPACT - State Government	FY 2003 (10 Mo.)	FY 2004	FY 2005
	$0	**$0**	**$0**

FISCAL IMPACT - Local Government	FY 2003 (10 Mo.)	FY 2004	FY 2005
	$0	**$0**	**$0**

FISCAL IMPACT - Small Business

No direct fiscal impact to small business would be expected as a result of this proposal.

DESCRIPTION

This proposal would extend the period of time for which a Missouri qualified fuel ethanol producer would be eligible for monthly grants form the Missouri Qualified Fuel Ethanol

Producer Incentive Fund from sixty months to up to eighty-four months if the producer had not received the full amount from the Fund for which the producer was eligible. Eligibility would end when a producer had received the full amount of grants for which the producer had been eligible.

The proposal would also put the grant program on a fiscal year basis (currently it is on a calendar year basis).

This bill repeals the law relating to the repurchase of industrial, maintenance and construction power equipment, and outdoor power equipment used for lawn, garden, golf course, landscaping, or grounds maintenance upon cancellation of contracts. Current law requires wholesalers, manufacturers, or distributers to repurchase the equipment from retailers at 90% of the net cost, with certain exceptions, and includes provisions for remedies to the retailer and penalties to the manufacturer, wholesaler, or distributer upon refusal to repurchase equipment. The bill replaces the term "farm implements" in the definition of inventory with terms "equipment" and "implements" in the law relating to the repurchase of farm machinery inventory on the termination of a dealership. This law requires wholesalers, manufacturers, or distributers to repurchase equipment, implements, machinery, and attachments at 100% of the net cost and to repurchase repair parts at 95% of the current net price at the termination of a contract, with some exceptions.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space. This legislation would not affect Total State Revenue.

SOURCES OF INFORMATION

Department of Agriculture
Secretary of State

Mickey Wilson

Mickey Wilson, CPA
Acting Director
April 16, 2002

VL:LR:OD (12/00)