

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1233-02  
Bill No.: HB 355  
Subject: Agriculture and Animals, Agriculture Dept.; Environmental Protection  
Type: Original  
Date: April 10, 2003

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
<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 2004	FY 2005	FY 2006
Pesticide Project Fund	\$1,111,346	\$1,109,567	\$1,107,057
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$1,111,346</b>	<b>\$1,109,567</b>	<b>\$1,107,057</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 2004</b>	<b>FY 2005</b>	<b>FY 2006</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 LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Office of the State Treasurer and Department of Natural Resources** stated the proposed legislation would not fiscally affect their agencies.

Officials from the **Department of Agriculture (AGR)** stated the proposed legislation will require one Program Coordinator to administer this program, i.e., to account for all money and solicit, review and fund grant proposals. It would require the Program Coordinator to visit all funded projects 2-4 times per year to make sure requirements of grant and/or Memorandum of Understanding are being fulfilled. One clerical person would be needed to handle all clerical work such as typing Memorandum of Understandings, financial accounting, filing and other clerical work. All personal services funding will come from the "Pesticide Project Fund" and \$15 of each label fee would go to the General Revenue Fund, thus there would be no effect on that Fund.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
<b>PESTICIDE PROJECT FUND</b>			
<u>Income - Department of Agriculture</u>			
Pesticide Registration Fees	\$1,210,000	\$1,210,000	\$1,210,000
<u>Costs - Department of Agriculture</u>			
Personal Service Costs (2 FTE)	(\$60,034)	(\$73,842)	(\$75,688)
Fringe Benefits	(\$21,618)	(\$26,591)	(\$27,255)
Equipment and Expense	<u>(\$17,002)</u>	<u>\$0</u>	<u>\$0</u>
Total <u>Costs</u> - Department of Agriculture	<u>(\$98,654)</u>	<u>(\$100,433)</u>	<u>(\$102,943)</u>
<b>NET ESTIMATED EFFECT ON PESTICIDE PROJECT FUND</b>	<b><u>\$1,111,346</u></b>	<b><u>\$1,109,567</u></b>	<b><u>\$1,107,057</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<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.

DESCRIPTION

Currently, anyone who sells or commercially transports pesticides pays an annual \$15 registration fee for each product to the General Revenue Fund. This bill adds to the annual fee an additional \$100 and changes the late renewal penalty from \$5 to \$50. For each registration, \$15 is credited to the General Revenue Fund and the remainder is deposited in the Pesticide Project Fund. If the unobligated balance of the Pesticide Project Fund exceeds \$3 million, registration fees are reduced temporarily to \$15 until the fee fund balance reaches \$1 million. Pesticides must be registered as new products if there is a change in company name, trade name, active ingredient, concentration, or federal registration number.

DESCRIPTION (continued)

The Pesticide Project Fund is administered by the Plant Industries Division of the Department of Agriculture. Up to 20% of the fund may be used for administration and pesticide registration. Beginning July 1, 2004, up to 80% of the fund may be used for designated projects, including pesticide education, applicator training, pesticide and water quality monitoring, container disposal initiatives, integrated pest management, and applied research on integrated pest management and water quality improvement programs related to pesticide use at the University of Missouri Agricultural Research Stations and state universities.

Allocation of project funds requires an executed memorandum of understanding between the department and the applicant. Before each fiscal year, applicants must submit proposals to the Pesticide Project Fund Grant Review Committee by March 31. Recipients must submit a project report within 30 days after the end of the fiscal year. Project revenue that is not spent or obligated reverts to the fund within 60 days after the project is completed. Recipients who fail to complete their projects as intended are to remit partial or full repayments. The department will provide an annual report to the chairpersons of the House of Representatives Agriculture and the Senate Agriculture, Parks, and Tourism Committees, or their successors.

The Pesticide Project Fund Grant Review Committee is created by the bill. Committee membership requirements, appointment, terms, and compensation are provided in the bill.

The Pesticide Project Fund provisions of the bill are to terminate January 1, 2008, and all unused moneys in the fund are to be deposited in the General Revenue Fund.

The bill also allows the department to deny, cancel, suspend, or revoke the registration of a pesticide if the product is found to be harmful to humans or the environment.

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

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SOURCES OF INFORMATION

Department of Agriculture  
Office of State Treasurer  
Secretary of State's Office  
Department of Natural Resources



Mickey Wilson, CPA  
Director  
April 10, 2003