

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1787-08  
Bill No.: Truly Agreed To and Finally Passed CCS No. 2 for HCS for SCS for SB 356  
Subject: Agriculture and Animals; Agriculture Dept.; Bonds-Surety;  
Type: Original  
Date: June 9, 2011

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Bill Summary: This proposal modifies provisions pertaining to grain dealers and grain warehouses.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
General Revenue	(Unknown more than \$100,000)	(Unknown more than \$100,000)	(Unknown more than \$100,000)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Unknown more than \$100,000)</b>	<b>(Unknown more than \$100,000)</b>	<b>(Unknown more than \$100,000)</b>

Numbers within parentheses: ( ) indicate costs or losses. This fiscal note contains 19 pages.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
Conservation Commission	(Unknown)	(Unknown)	(Unknown)
Parks, Soil and Water	(Unknown)	(Unknown)	(Unknown)
School District Trust	(Unknown)	(Unknown)	(Unknown)
Livestock Brands Fund	Unknown	Unknown	Unknown
Puppy Protection Trust	Less than \$100,000	Less than \$100,000	Less than \$100,000
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>Unknown to (Unknown)</b>	<b>Unknown to (Unknown)</b>	<b>(Unknown to (Unknown))</b>

\*Revenues and Expenditures net to zero

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</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 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
<b>Local Government</b>	<b>(Unknown more than \$100,000)</b>	<b>(Unknown more than \$100,000)</b>	<b>(Unknown more than \$100,000)</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### Section 21.801 - Joint Committee on Urban Agriculture

Officials from the **Department of Agriculture, Office of the Governor, Missouri Senate, and Missouri House of Representatives** assume the proposal would have no fiscal impact on their agencies.

#### Section 143.1014 - Puppy Protection Check Off

Officials at the **Department of Revenue (DOR)** assume beginning January 1, 2011, each individual or corporation entitled to a tax refund may designate \$1.00 or any amount in excess of \$1.00 on a single return, and \$2.00 or any amount in excess of \$2.00 on a combined return, of the refund due be credited to the puppy protection trust fund.

- This legislation creates the "Puppy Protection Trust Fund."
- The State Treasurer shall be custodian of the fund.
- The State Treasurer may approve disbursements.
- The fund shall be a dedicated fund and, upon appropriation, money in the fund shall be used solely for the administration of Section 273.345.
- The Director of Revenue shall deposit at least monthly all contributions designated by individuals to the State Treasurer for deposit to the fund.
- The Director of Revenue shall deposit all contributions designated by the corporations under this section, less an amount sufficient to cover the costs of collection and handling, to the state treasury for deposit to the fund.
- A contribution designated under this section shall only be deposited in the fund after all other claims against the refund have been satisfied.

The provisions will sunset December thirty-first six years after the effective date unless reauthorized by the General Assembly. The department will need to make form changes.

Officials from the **Department of Agriculture (AGR)** assume it is not possible to predict with any certainty how many individuals would choose the tax refund checkoff for Prop B and the dollar amounts that would be generated. Therefore, although the fiscal impact could be positive, the true fiscal impact is unknown.

ASSUMPTION (Continued)

Officials from the **Office of Administration, Division of Budget and Planning (BAP)** assume this proposal would not result in additional costs or savings to their organization.

BAP officials stated that this proposal would create an income check-off to benefit a fund established in this proposal: the Puppy Protection Trust Fund. Taxpayers could designate a portion of their refund to the fund, and taxpayers could also write a check for donations to the fund.

To the extent the check-off is used, this proposal would increase total state revenues. BAP notes that \$324,237 in designations were made via income tax check-off in FY10.

**Oversight** assumes that the participation rate and the amount of revenue which would be provided for the Puppy Protection Trust Fund through this proposed check-off program are unknown.

**Oversight** notes that the Office of Administration, Division of Budget and Planning response indicated a total of \$324,327 in donations for all income tax check-off programs during FY 2010. Oversight reviewed the DOR report of checkoff trust fund collections for the years ended June 30, 2009 and 2010, and noted that only one program had collections in excess of \$100,000 per year. Average collections for the each of the twenty programs in FY 2010 was \$16,600.

For fiscal note purposes, **Oversight** will indicate annual revenue less than \$100,000 for the Puppy Protection Trust Fund. The program would be effective for tax years beginning January 1, 2011, and Oversight assumes the donations would be made from refunds beginning in January, 2012 (FY 2012).

Sections 144.010, 144.020, 144.030, 144.070 - Sales Tax Exemption for Captive Wildlife

Officials at the **Department of Revenue (DOR)** assumes the sales tax exemption for captive wildlife and accessories and upgrades to farm machinery will reduce total state revenue.

Officials from the **Office of Administration, Division of Budget and Planning (BAP)** assume this proposal would not result in additional costs or savings to their organization.

ASSUMPTION (Continued)

BAP officials assumes this proposal would create a sales tax exemption for sales of captive wildlife and feed products for captive wildlife. This proposal would reduce general and total state revenues, and local revenues by an unknown amount. BAP defers to DOR on any impact related these changes.

Officials from the **Department of Conservation (MDC)** assume an unknown negative fiscal impact on the Department but assumed greater than \$100,000. The Conservation Sales Tax funds are derived from one-eighth of one percent sales and use tax pursuant to Article IV Section 43 (a) of the Missouri Constitution. Exempting all sales of captive wildlife and feed for captive wildlife from sales tax, will decrease the amount of sales tax collected and thus decrease revenue to the Conservation Sales Tax funds. The Department assumes the Department of Revenue would be better able to estimate the anticipated fiscal impact that would result from this proposal.

Officials from the **Department of Elementary and Secondary Education** defer to the Department of Revenue for an estimate of the fiscal impact for this proposal.

Officials from the **Department of Natural Resources (DNR)** assume this proposal would create state and local sales and use tax exemptions for purchases of feed for captive wildlife and for sales of captive wildlife. This provision would not apply to sales tax on a harvested animal.

DNR states, the Department's Parks and Soils Sales Tax Funds are derived from one-tenth of one percent sales and use tax pursuant to Article IV Section 47(a) of the Missouri Constitution. Therefore, any additional sales and use tax exemption would be a loss to the Parks and Soils Sales Tax Funds.

DNR states, these funds have been used for the acquisition and development, maintenance and operation of state parks and historic sites and to assist agricultural landowners through voluntary programs.

**Oversight** has no information on the annual sales of captive wildlife or feed for captive wildlife; however, Oversight notes that sales in excess of \$3.333 million would be required to produce \$100,000 in sales and use taxes for the General Revenue Fund. Oversight will indicate an unknown reduction of revenues for the state General Revenue Fund and for those other state funds which receive sales tax revenues, and an unknown revenue reduction for local governments.

ASSUMPTION (Continued)

Section 144.030 - Sales Tax Exemptions for Freight Charges and Certain Farm Equipment

Officials from the **Office of Administration, Division of Budget and Planning (BAP)** assumes this proposal would not result in additional costs or savings to their organization.

BAP officials stated that this proposal would create sales tax exemptions for any freight charges on any exempt item, any costs for fabrication labor in conjunction with the sale of tangible personal property, any accessories for and upgrades to certain farm machinery and equipment, and for rotary mowers used exclusively for agricultural purposes. This proposal would reduce General and Total State Revenues, including education revenues, and local revenues. BAP does not have the necessary data to provide an estimate.

Officials from the **Department of Conservation (MDC)** assume an unknown negative fiscal impact on the Department but assumed greater than \$100,000. The Conservation Sales Tax funds are derived from one-eighth of one percent sales and use tax pursuant to Article IV Section 43 (a) of the Missouri Constitution. Exempting any accessories and upgrades to farm machinery, equipment and rotary mowers used exclusively for agricultural purposes from sales tax will decrease sales tax collected and thus would decrease revenue to the Conservation Sales Tax funds.

Officials from the **Department of Natural Resources (DNR)** assumed this proposal would authorize state and local sales and use tax exemptions for the sale of any accessories and upgrades to farm machinery and equipment, rotary mowers used exclusively for agricultural purposes, freight charges on exempt items, and any costs for fabrication labor in conjunction with the sale of an item.

DNR officials stated that their Parks and Soils Sales Tax Funds are derived from one-tenth of one percent sales and use tax pursuant to the Missouri Constitution. Therefore, any additional sales and use tax exemption would be a loss to the Parks and Soils Sales Tax Funds.

Officials from the **Department of Revenue (DOR)** assume this proposal would add sales and use tax exemptions for:

- \* any freight charges on any exempt item, and any costs for fabrication labor in conjunction with the sale of tangible personal property, and
- \* any accessories for and upgrades to farm machinery and equipment, rotary mowers used exclusively for agricultural purposes.

ASSUMPTION (Continued)

DOR officials stated, that in FY 2010, total state and local sales tax revenue was approximately \$4.9 billion dollars; the state portion of those collections was approximately \$2.5 billion. DOR estimates that labor as a percentage of sales price could average 4 percent. If fabrication labor is excluded from the sales and use tax base, it could result in a negative impact on Total State Revenue of approximately \$100 million and a negative impact on the General Revenue Fund of approximately \$70 million. The impact related to the other exemptions proposed in this legislation would be minimal.

DOR states, this legislation will reduce state revenues.

**Oversight** is not able to determine the revenue reduction which would result from this proposal and will indicate a revenue reduction greater than \$100,000 for the General Revenue Fund and for local governments and an unknown revenue reduction for other state funds which receive sales and use tax revenues.

Section 262.815 - Missouri Farmland Trust

Officials at the **Department of Agriculture (AGR)** state this proposed legislation allows individuals and entities to donate, gift, or otherwise convey farmland to the Missouri Department of Agriculture for the purpose of preserving the land as farmland and to give new farmers an opportunity to farm by allowing long term, low and variable cost leases.

AGR states lease revenues from participating beginning farmers will be deposited in the state treasury to the credit of the Missouri Farmland Trust Fund.

AGR states, the department will improve, maintain, operate, and regulate any such donated lands to promote agriculture and the general welfare using moneys in the Missouri Farmland Trust Fund. A board, appointed by the Director, will make recommendations to the Director on the appropriate uses of farmland in the trust, criteria to be used to select applicants for the program, and review and make recommendations regarding applications to lease farmland in the trust. Board members shall serve without financial compensation but, subject to appropriations, may be reimbursed for actual and necessary expenses. Upon appropriation, the department may make payments to counties for the value of land as payment in lieu of real and personal property taxes for privately owned land acquired after 8-28-11.

AGR states, the program will be administered by existing staff. Any program expenses will be paid from lease revenues.

ASSUMPTION (Continued)

The following assumptions were used to estimate annual program revenues:

**Land Donations:**

The Department of Conservation has a similar program that receives land donated for conservation purposes. Over the most recent five (5) years, they have received an average of 215 donated acres per year.

Although it is difficult to predict whether or not the Missouri Farmland Trust will receive more or less donated land, for the purposes of this fiscal estimate it is assumed the program will receive average donations of 215 acres per year.

**Lease Revenues:**

AGR states, recent survey data from the United States Department of Agriculture show the following average rental rates per acre of farmland:

Crop land = \$90 per acre  
Pasture land = \$31 per acre

Applying these average rental rates to a typical Missouri farm yields the following revenues:

67% cropland * \$90/acre =	\$60.30 per acre
33% pasture * \$31/acre =	\$10.23 per acre
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	\$70.53/acre @ Market Rate

AGR states, the program is intended to attract beginning farmers by allowing long term, low and variable leases, this analysis also assumes the lease rate will be only 25% of market rates in the first five years of the program. These assumptions generate the following annual revenues:

Year 1:	215 acres * \$70.53/acre market rate * 0.25 =	\$3,791
Year 2:	430 acres * \$70.53/acre market rate * 0.25 =	\$7,582
Year 3:	645 acres * \$70.53/acre market rate * 0.25 =	\$11,373
Year 4:	860 acres * \$70.53/acre market rate * 0.25 =	\$15,164
Year 5:	1,075 acres * \$70.53/acre market rate * 0.25 =	\$18,955

ASSUMPTION (Continued)

AGR states these estimates are only an example of potential revenues. Actual revenues will be determined by farm acreage donated, market lease rates, and policies of the Farmland Trust Advisory Board.

Officials at **Budget and Planning** state, section 262.815 allows the Department of Agriculture to charge an administrative fee for lease application processing under the Missouri Farmland Trust Fund Act. B&P defers to the department for an estimate of any increase such a fee would generate in total state revenue and 18E calculations.

**Oversight** assumes in FY12 lease revenue will be \$0 as the program will be new and AGR will be in the process of acquiring land to be donated to the “Missouri Farmland Trust”.

**Oversight** assumes the following annual lease revenues for the “Missouri Farmland Trust Fund”.

Year 1: 0 acres \* \$70.53/acre market rate \* 0.25 = \$0 to could exceed \$0

Year 2: 215 acres \* \$70.53/acre market rate \* 0.25 = \$0 to could exceed \$3,791

Year 3: 430 acres \* \$70.53/acre market rate \* 0.25 = \$0 to could exceed \$7,582

Year 4: 645 acres \* \$70.53/acre market rate \* 0.25 = \$0 to could exceed \$11,373

Year 5: 860 acres \* \$70.53/acre market rate \* 0.25 = \$0 to could exceed \$15,164

Year 6: 1,075 acres \* \$70.53/acre market rate \* 0.25 = \$0 to could exceed \$18,955

**Oversight** assumes if AGR does not receive land into the “Missouri Farmland Trust” then no lease payments would be received.

**Oversight** assumes in future fiscal years lease payments will be set to equal the fund costs.

**Oversight** assumes that any administrative or necessary expenses related to this proposal for the “Missouri Farmland Trust Advisory Board” could be paid from revenues received by the “Missouri Farmland Trust Fund” or through existing appropriation.

ASSUMPTION (Continued)

Sections 263.190, 263.200, 263.220, 263.240 - Noxious Weeds

Officials at the **Department of Natural Resources (DNR)** assumes the proposed legislation seeks to define noxious weed as those designated by rule by the Department of Agriculture.

DNR states, the **Division of State Parks (DSP)** operates 85 parks and historic sites in Missouri. Management of the parks includes controlling noxious weeds. This proposal appears to be trying to bring consistency to the rules governing the control of noxious weeds. This proposal may require additional operating costs for some of our parks if DSP was required to engage in more multiflora or thistle weed control.

DNR assumes, this proposal could impact DSP if we need to engage in more multiflora or thistle control. However, DSP would anticipate any additional costs to be minimal.

Officials at the **Office of Administration - Division of Facilities Maintenance, Design and Construction** assumes it is impossible to estimate the fines associated with noxious weeds left unattended on state owned property, therefore we have estimated the possible cost as zero to a possible excess of \$100,000.

Officials at the **Department of Conservation** assumes the fiscal impact is unknown as costs are dependent upon the cost of chemicals and labor needed to control problem plants and species added to the noxious plant list.

**Oversight** assumes any fiscal impact associated with this proposal for state agencies and local political subdivisions would be minimal and could be absorbed by the state agency or local political subdivision with existing resources.

Officials at the **Department of Agriculture**, and **Department of Elementary and Secondary Education** assumed there was no fiscal impact from this proposed legislation.

ASSUMPTION (Continued)

Section 268.121 - Livestock Brand Book

Officials at the **Department of Agriculture (AGR)** assumes this proposal removes the requirement that the Department print a livestock brands book and instead requires the list to be available on the internet.

AGR states, there will be costs associated with making the brand book available on-line and the on-going maintenance and updating of the on-line brand book. However, those costs are not expected to exceed the printing and postage savings associated with this legislation.

AGR states, the Division of Animal Health has an E&E appropriation to pay printing and postage expenses of the Livestock Brands book from the Livestock Brands Fund.

AGR states, the department would save the printing and postage costs of the livestock brands book (printed once every 5 years) and the yearly supplements (in years when a new brand book isn't printed).

AGR states, the livestock brands book is printed once every 5 years. It was last printed in FY10 at a cost of \$8,705. Associated postage costs were \$1,876 in FY10, bringing total costs for printing and postage to \$10,581.

AGR states, a new livestock brands book will not be printed until FY15. However, an annual supplement to the brands book is printed each year at a cost of approximately 5 percent of the new book. Therefore, only the costs of the supplement ( $\$10,581 \times 5\% = \$529$ ) will be saved in FY11 through FY14. In FY15 total costs of approximately \$11,000 would be avoided as a result of this legislation.

AGR assumes there will be IT costs associated with moving the document to the internet along with on-going maintenance and update expenses. The exact dollar amount of those costs is unknown but for purposes of this fiscal note they are assumed to not exceed annual savings from not printing the supplement.

AGR states, livestock brand registration fees and brand book sales revenues are deposited into the Livestock Brands Fund. Those fee revenues are used to pay for the printing and postage costs of this program. Although there will be a reduction in fee revenues due to the on-line availability of the brand book, the Department expects cost savings to offset most if not all of the revenue reductions.

ASSUMPTION (Continued)

**Oversight** assumes, as a result of this proposal, the Department of Agriculture would experience an unknown savings to the Livestock Brands Fund, related to the Livestock Brands Book and annual supplemental's availability online.

**Oversight** assumes the majority of the savings related to this proposal will be experienced outside of the fiscal note period in FY15, and every five years thereafter. However, an unknown savings to the Livestock Brands Fund, related to the cost of printing and mailing the annual supplemental, would occur within the fiscal note period.

Sections 275.360 and 276.401 - Refund of Fees and "Missouri Grain Dealer Law"

Officials at the **Department of Agriculture** state section 275.360 relates to the Commodity Council Merchandising fees and refunds. Commodity merchandising councils are authorized to contract with the Department of Agriculture to collect commodity merchandising program fees (i.e. checkoffs) under Section 275.350. All fees collected by the Department, other than for administrative costs, shall not be considered state funds (275.350.5(1)). Therefore the addition of rice to 275.360 does not have any impact on state funds.

Officials at **Budget and Planning** state section 375.360 appears to bar some refunds of rice commodity merchandising fee payments, by exempting such payments from the section's application. B&P defers to the Department of Agriculture for an estimate of this provision's impact on total state revenues and fees.

Officials at the **Department of Agriculture (AGR)** state section 276.401 relates to Grain Dealer Law. The change is being made from \$100,000 DOLLARS to 50,000 BUSHELs, which changes both the quantity and the units. The effect is to increase the dollar amount of grain a person can buy for his own feeding purposes and still be exempt from obtaining a grain dealer license. The change is needed to account for modern grain prices, which are much higher (about 3 times) than they were when the law was originally written. AGR assumes there is no fiscal impact from this proposed legislation.

**Oversight** assumes there is no fiscal impact related to the refund of fees and Missouri grain dealers.

ASSUMPTION (Continued)

Sections 276.421, 276.436, 276.441, 411.280 - Grain Dealers and Grain Warehouses

Officials at the **Department of Agriculture** assumes there is no fiscal impact related to this section.

**Oversight** assumes there is no fiscal impact from this proposed legislation on state or local government funds.

Bill as a Whole

Officials at the **Department of Revenue** state, due to budget constraints, reduction of staff and the limitations within the department's tax systems, changes from this proposal cannot be made without significant impact to the department's resources and budget. Therefore, the IT portion of the fiscal impact is estimated with a level of effort valued at \$17,808. The value of the level of effort is calculated on 672 FTE hours.

**Oversight** assumes that ITSD-DOR is provided with core funding to handle a certain amount of activity each year, and that ITSD-DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, ITSD-DOR could request funding through the appropriation process.

Officials from the **Office of the Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the Secretary of State's Office for Administrative Rules is less than \$2,500.

The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

ASSUMPTION (Continued)

Officials at the **Office of the Attorney General (AGO)** assumes that any potential costs arising from this proposal can be absorbed with existing resources. If a substantial increase in caseload results, AGO would seek additional appropriation in the future.

Officials at the **Department of Economic Development Division of Tourism, Department of Transportation, State Treasurer's Office, State Public Defender's Office, Office of State Courts Administrator, Missouri Tax Commission, and University of Missouri** assumes there is no fiscal impact from this proposed legislation.

**Oversight** assumes that the overall impact of this proposal will have an unknown negative impact on state and local revenues.

<u>FISCAL IMPACT - State Government</u>	FY 2012	FY 2013	FY 2014
	(10 Mo.)		
<b>GENERAL REVENUE FUND</b>			
<u>Revenue Reduction</u> - sales tax exemptions - captive wildlife (144.010 - 144.525)	(Unknown)	(Unknown)	(Unknown)
<u>Revenue Reduction</u> - sales tax exemptions - farm equipment (144.030)	<u>(More than \$100,000)</u>	<u>(More than \$100,000)</u>	<u>(More than \$100,000)</u>
<b>ESTIMATED NET EFFECT OF GENERAL REVENUE FUND</b>	<b><u>(Unknown more than \$100,000)</u></b>	<b><u>(Unknown more than \$100,000)</u></b>	<b><u>(Unknown more than \$100,000)</u></b>

**CONSERVATION COMMISSION  
FUND**

Revenue Reduction - sales tax exemptions - captive wildlife (144.010 - 144.525)	(Unknown)	(Unknown)	(Unknown)
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Revenue Reduction - sales tax exemptions - farm equipment (144.030)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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<b>ESTIMATED NET EFFECT ON CONSERVATION COMMISSION FUND</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>
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**PARKS, SOIL, AND WATER FUND**

Revenue Reduction - sales tax exemptions - captive wildlife (144.010 - 144.525)	(Unknown)	(Unknown)	(Unknown)
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Revenue Reduction - sales tax exemptions - farm equipment (144.030)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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<b>ESTIMATED NET EFFECT ON PARKS, SOIL, AND WATER FUND</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>
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**SCHOOL DISTRICT TRUST FUND**

Revenue Reduction - sales tax exemptions - captive wildlife (144.010 - 144.525)	(Unknown)	(Unknown)	(Unknown)
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Revenue Reduction - sales tax exemptions - farm equipment (144.030)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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<b>ESTIMATED NET EFFECT ON SCHOOL DISTRICT TRUST FUND</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>
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**PUPPY PROTECTION TRUST FUND**

<u>Revenue</u> - donations (143.1014)	<u>Less than</u> <u>\$100,000</u>	<u>Less than</u> <u>\$100,000</u>	<u>Less than</u> <u>\$100,000</u>
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<b>ESTIMATED NET EFFECT ON PUPPY PROTECTION TRUST FUND</b>	<b><u>Less than</u></b> <b><u>\$100,000</u></b>	<b><u>Less than</u></b> <b><u>\$100,000</u></b>	<b><u>Less than</u></b> <b><u>\$100,000</u></b>
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**LIVESTOCK BRANDS FUND**

<u>Revenue</u> - Paper Copy Livestock Brands Books Sold (268.121)	Unknown	Unknown	Unknown
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<u>Savings</u> - Free Printed Livestock Brands Books Available on Internet (268.121)	Unknown	Unknown	Unknown
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<u>Cost</u> - Website Maintenance and Updates (268.121)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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<b>ESTIMATED NET EFFECT ON LIVESTOCK BRANDS FUND</b>	<b><u>Unknown</u></b>	<b><u>Unknown</u></b>	<b><u>Unknown</u></b>
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<u>FISCAL IMPACT - Local Government</u>	<u>FY 2012</u> <u>(10 Mo.)</u>	<u>FY 2013</u>	<u>FY 2014</u>
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**LOCAL GOVERNMENTS**

<u>Revenue Reduction</u> - sales tax exemptions (144.010 - 144.525)	(Unknown)	(Unknown)	(Unknown)
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<u>Revenue Reduction</u> - sales tax exemptions (144.030)	<u>(More than</u> <u>\$100,000)</u>	<u>(More than</u> <u>\$100,000)</u>	<u>(More than</u> <u>\$100,000)</u>
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<b>ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS</b>	<b><u>(Unknown</u></b> <b><u>more than</u></b> <b><u>\$100,000)</u></b>	<b><u>(Unknown</u></b> <b><u>more than</u></b> <b><u>\$100,000)</u></b>	<b><u>(Unknown</u></b> <b><u>more than</u></b> <b><u>\$100,000)</u></b>
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### FISCAL IMPACT - Small Business

Direct fiscal impact to small agricultural businesses and farms would be expected as a result of this proposal.

### FISCAL DESCRIPTION

Section 143.1014 - Puppy Protection Check Off - The proposed legislation would authorize a checkoff for the Department of Agriculture for activities related to administering Proposition B provisions on puppy mills.

### Sections 144.010, 144.020, 144.030, 144.070 - Sales Tax Exemption for Captive Wildlife -

This act creates state and local sales and use tax exemptions for sales of captive wildlife and all sales of feed for captive wildlife including liming and fertilizing crops which when harvested will be fed to captive wildlife that will be sold ultimately in processed form at retail. The act also repeals two incorrect inter-sectional references contained in Chapter 144.

Section 144.030 - Sales Tax Exemptions for Certain Farm Equipment - This bill exempts from state and local sales and use taxes the sale of any accessories and upgrades to farm machinery and equipment, rotary mowers used exclusively for agricultural purposes, freight charges on exempt items, and any costs for fabrication labor in conjunction with the sale of an item.

Section 268.121 - Livestock Brand Book - Currently, the Director of the Department of Agriculture must publish a list of all livestock brands in a book form and send a copy of the book and any supplement to the county recorder of deeds in each county and to each licensed livestock market and slaughter plant in the state. This bill removes this requirement and instead requires the department director to create a list and make it available on a publicly accessible web site. The list must be updated from time to time.

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

Office of the Secretary of State

Office of the State Treasurer

Office of Administration

Division of Budget and Planning

Office of Administration

Division of Facilities Maintenance, Design and Construction

Department of Agriculture

Department of Revenue

Office of the Attorney General

University of Missouri

Office of Governor

Missouri House of Representatives

Missouri Senate

Department of Economic Development

Division of Tourism

Department of Transportation

Department of Natural Resources

Division of State Parks

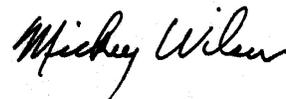
Department of Conservation

Department of Elementary and Secondary Education

State Tax Commission

Office of State Courts Administrator

State Public Defender's Office



Mickey Wilson, CPA

Director

June 9, 2011