

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0868-08
Bill No.: SCS for HCS for HBs 205, 323, & 349
Subject: Agriculture and Animals; Property, Real and Personal; Counties; Conservation Department; Environmental Protection; Crimes and Punishment; Taxation and Revenue - General; Soil Conservation; Water Resources and Water Districts
Type: Original
Date: April 30, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Crime Victims' Compensation Fund	\$54,750 to \$273,750	\$54,750 to \$273,750	\$54,750 to \$273,750
Conservation Commission	(Unknown)	(Unknown)	(Unknown)
General Revenue	(Unknown exceeding \$2,900,000)	(Unknown exceeding \$2,900,000)	(Unknown less than \$2,900,000)
Total Estimated Net Effect on <u>All</u> State Funds	(Unknown greater than \$2,926,250)	(Unknown greater than \$2,926,250)	(Unknown greater than \$2,926,250)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety, Office of State Courts Administrator, Department of Agriculture, Office of Prosecution Services, and Department of Revenue** assume the proposed legislation will not fiscally impact their organizations.

Officials from the **Office of Administration - Budget and Planning (BAP)** stated the proposed legislation should not result in additional costs or savings to the BAP. However, there would be impact on total state revenue.

Officials from the **Department of Labor and Industrial Relations (DOL)** stated the Division of Workers' Compensation assumes that this proposal would have a positive net impact on the Crime Victims' Compensation Fund. In the HCS for HB's 205,323, & 549, Oversight estimates there will be 146 convictions under proposed section 252.038, RSMo. In order to determine the projected revenue to the fund, the Division of Workers' Compensation multiplied 146 convictions by both the lowest monetary penalty and the highest monetary penalty as established in section 252.038. Next, the Division of Workers' Compensation multiplied each figure by the percentage earmarked for the Crime Victims' Compensation Fund (25 percent) to establish the range of potential revenue.

Officials from the **Department of Corrections (DOC)** stated that currently, the DOC cannot predict the number of new cases which may result from the creation of the offense(s) outlined in this proposal. An increase in cases depends on the utilization by prosecutors and the actual sentences imposed by the court.

If additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase in costs through supervision provided by the Board of Probation and Parole (FY 99 average of \$2.47 per offender, per day).

In summary, supervision by the DOC through probation would result in some additional costs, but it is assumed the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

Oversight assumes that the conviction and incarceration of only one person would create a minimal fiscal impact of less than \$100,000 annually.

Officials from the **Department of Natural Resources (DNR)** assume at this point in time, feral hogs do not present a threat to Missouri's state parks. Therefore, this bill will not cause a fiscal impact to the DNR.

ASSUMPTION (continued)

If, in the future, feral hogs cause a problem, additional funds may be necessary to eradicate the problem.

In addition, Section 271.400.3. allows any person to take or kill feral hogs on public land with the consent of the landowner. State park rules do not allow hunting in the parks, unless special controlled hunts are necessary to preserve deer population. Therefore, anyone other than state park personnel will not be allowed to take or kill feral hogs on state park property.

The DNR provided the following information regarding section 135.305 - Wood Energy Tax Credits:

Number of Applicants by Year

- 1997 = 9
- 1998 = 10
- 1999 = 9
- 2000 = Still in Reporting Period, but expect 8 or 9 companies.

Total Credits Earned by Year

- 1997 = \$1,904,880
- 1998 = \$3,599,800
- 1999 = \$2,936,182
- 2000 = Still in Reporting Period.
- Total Program Credits Earned through 1-29-01 = \$9,437,536

Operational Notes Concerning Potential Future Impacts of the Wood Energy Tax Credit Program:

- 1) Since these credits can be assigned to third parties, they are not always claimed in the same year as they are earned. The data on claims of these credits is available through the DOR.
- 2) Most companies entered the program in their respective 1997 tax years. The applications for their 2000 tax years represent, in these cases, the fourth year of their five-year eligibility period.
- 3) The last year for most participating companies is the 2001 tax year.
- 4) Based on the reduction in the amount of companies expected to participate during tax years 2000 and 2001, a current estimate of credits earned in these years is between \$2.5 and \$2.9 million each year.

ASSUMPTION (continued)

- 5) This program essentially provides a significant buy-down toward the front-end capital costs of systems that take waste wood and turn it into profitable energy sources.
- 6) While it has, to date, been used most by charcoal firms, the rapidly rising prices of propane and natural gas have led to several new firms considering the use of waste wood for answering their energy needs. The financial incentive provided by this program can very possibly serve to advance the installation of additional biomass energy production facilities.

Officials from the **Department of Conservation (MDC)** did not respond to our request for fiscal impact. However, for similar legislation from this session, the MDC officials assumed the language referencing experimentally reintroduced elk could have some fiscal impact on MDC funds because the department would be financially responsible for certain types of damages caused by such elk. The amount of fiscal impact is unknown.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
CRIME VICTIMS' COMPENSATION FUND			
<u>Income - Department of Labor</u>			
Conviction and Penalty Income from Section 252.038	\$54,750 to \$273,750	\$54,750 to \$273,750	\$54,750 to \$273,750
NET ESTIMATED IMPACT ON CRIME VICTIMS' COMPENSATION FUND	<u>\$54,750 to</u> <u>\$273,750</u>	<u>\$54,750 to</u> <u>\$273,750</u>	<u>\$54,750 to</u> <u>\$273,750</u>
CONSERVATION COMMISSION FUND			
<u>Income - Department of Conservation</u>			
Restitution Assessed	\$182,500 to \$912,500	\$219,000 to \$1,095,000	\$219,000 to \$1,095,000
Cost - Department of Conservation Expense - Damages caused by elk	(Unknown)	(Unknown)	(Unknown)
Estimated Net Effect on CONSERVATION COMMISSION FUND	<u>(Unknown) to</u> <u>\$912,500</u>	<u>(Unknown) to</u> <u>\$1,095,000</u>	<u>(Unknown) to</u> <u>\$1,095,000</u>

GENERAL REVENUE FUND

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
Costs - Department of Corrections			
Additional supervision for	(Unknown less	(Unknown less	(Unknown less
Class A misdemeanor convictions	than \$100,000)	than \$100,000)	than \$100,000)
 <u>Loss - Department of Natural Resources</u>			
Extension of wood energy credit	(\$2,900,000)	(\$2,900,000)	(\$2,900,000)
 NET ESTIMATED IMPACT ON	<u>(Unknown</u>	<u>(Unknown</u>	<u>(Unknown</u>
 GENERAL REVENUE FUND	<u>exceeding</u>	<u>exceeding</u>	<u>exceeding</u>
	<u>\$2,900,000)</u>	<u>\$2,900,000)</u>	<u>\$2,900,000)</u>

FISCAL IMPACT - Local Government	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

If a small business is a wood energy producer, they could be economically impacted by the extension of the tax credit from 5 to 10 years.

DESCRIPTION

This legislation extends the period in which a wood energy producer can claim a tax credit from 5 years to 10 years.

This legislation provides that no person, including members of the conservation commission, department of conservation, and its employees and agents, shall release elk into the wild in the state of Missouri. Any person who intentionally or through gross negligence releases elk into the wild is guilty of a class A misdemeanor. The department of conservation shall be financially responsible for any damage caused by wild elk.

Any person convicted of taking, killing, possessing or disposing of a deer in violation of methods, seasons and limits defined and permitted by commission rules and regulations shall be required to provide restitution to the state in the manner outlined in the proposed legislation. Seventy-five percent of the moneys collected shall be deposited in the state treasury to the credit of the conservation commission; twenty-five percent shall be deposited in the Crime Victims' Compensation Fund.

DESCRIPTION (continued)

A resident landowner, as defined by the commission, shall not be required to provide restitution to the state for taking, killing, possessing or disposing of a deer, provided that no part of the deer is removed from such property.

Wild elk may be destroyed by the landowner or lessor of land when such wild elk have caused any damage to such property.

The commission may administer a forest landowner cost-share incentive program to promote sustainable forestry on private lands. Such program may provide reimbursement cost share for up to fifty percent of the cost of precommercial forestry activities on eligible land. No application for such a program shall be accepted for a tract of land containing less than forty acres. The total amount of incentives provided to any person shall not exceed \$5,000.

This proposal makes it a class A misdemeanor to knowingly release swine to live in a wild state on public or unfenced private land. Free-roaming hogs not conspicuously identified by ear tags may be killed without liability on public lands or on private lands with the permission of the landowner, although during the firearms deer and turkey hunting season the regulations of the Missouri Wildlife Code shall apply.

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 Administration - Budget and Planning
Office of State Courts Administrator
Department of Natural Resources
Department of Corrections
Department of Labor and Industrial Relations
Department of Public Safety
Office of Prosecution Services

NOT RESPONDING: Department of Conservation



Jeanne Jarrett, CPA
Director
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