



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 310** HLS 15RS 1063
 Bill Text Version: **ENROLLED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: June 9, 2015 3:18 PM	Author: MACK
Dept./Agy.: Agriculture & Forestry	Analyst: Zachary Rau
Subject: Regulation of seed dealers	

AGRICULTURE EN INCREASE SG RV See Note Page 1 of 2
 Provides relative to the regulation of seed dealers

Proposed law allows the Seed Commission to increase seed dealer license fees up to a maximum of \$200, an increase of \$100 from the previous maximum fee of \$100. Proposed law requires seed labelers to obtain a seed dealer license, including dealers outside of Louisiana.

Proposed law allows the Seed Commission to increase regulatory fees per 100 lbs. of seeds at the first point of sale from a maximum of \$0.20/100 lbs., to a maximum of \$0.30/100 lbs., an increase of \$0.10/100 lbs.

EXPENDITURES	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

The proposed legislation will likely result in an increase in self-generated revenues for the Department of Agriculture & Forestry, as it gives the Seed Commission authority to increase seed dealer license fees within a certain range, which would then be promulgated by administrative rule. The proposed legislation also expands criteria for who is required to purchase a seed dealer license and now includes seed labelers and out-of-state seed dealers doing business in LA, two groups not previously required to obtain a seed dealer's license. To the extent the maximum fee allowed by the proposed legislation is promulgated, LDAF could collect an additional \$327,700 annually based upon 2014 license data.

The proposed legislation allows the Seed Commission to charge fees for seed dealer licenses up to \$200, an increase of \$100 from the previous maximum of \$100. To the extent the Seed Commission approves the maximum license fee of \$200 and the revision is promulgated by administrative rule, the Department of Agriculture would realize an additional \$100 in revenue per license. In 2014, LDAF issued 1,300 seed dealer licenses. To the extent license renewals are the same and the maximum fee increase is utilized, the fee increase would represent approximately \$130,000 in additional revenue annually. The amount of additional revenue generated by requiring seed labelers to obtain seed dealer licenses is currently indeterminable because LDAF has not required seed labelers to obtain any type of professional license in the past, nor did they collect data on how many seed labelers were present in LA. LDAF is currently aware of approximately 200 out-of-state seed dealers doing business in LA, leading to a potential revenue increase of approximately \$20,000.

The proposed legislation also gives the Seed Commission the authority to raise the maximum regulatory fee per 100 lbs. of seed at the first point of sale in Louisiana from \$0.20 to \$0.30. If the Commission raises the regulatory fee to a maximum \$0.30 per 100 lbs., it would increase per-sale revenues by \$0.10 per 100 lbs. LDAF reports that 177,288,500 lbs. of seeds were sold in LA in FY 14. For reference, a maximum of approximately \$177,300 (177,288,500 lbs. / 100 lbs. x \$0.10) in additional revenue would be generated by increasing the regulatory fee to its maximum of \$0.30 per 100 lbs. **(Revenue Explanation cont. on Pg. 2)**

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|---|--|--|
| Senate | Dual Referral Rules | House |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 Rev. Red. to State {H & S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} | |

Evan Brasseaux

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 Staff Director

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CONTINUED EXPLANATION from page one: Page 2 of 2
(Revenue Explanation cont. from Pg. 1) While the proposed legislation would give the Seed Commission the authority to approve seed dealer license and regulatory fee increases, LDAF will still be required to promulgate the license and regulatory fee increases by rule. LDAF anticipates the majority of licenses and permits to be applied for or renewed prior to the promulgation of the license fee increases by rule in FY 16. To the extent that this occurs, the revenue impact in FY 16 will be minimal.

Senate Dual Referral Rules House 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} 6.8(F)(2) >= \$500,000 Rev. Red. to State {H & S}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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