

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 291** HLS 15RS 806
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 10, 2015 11:21 AM	Author: ANDERS
Dept./Agy.: Agriculture and Forestry	Analyst: Zachary Rau
Subject: Horticulture regulatory fee and civil penalty increases	

HORTICULTURE OR INCREASE SG RV See Note Page 1 of 2
 Increases fees and civil penalties relative to the regulation of Horticulture

Proposed law gives the Horticulture Commission power to approve professional license fee increases within a specified range, as well as increase fees for nursery stock dealer's permits and cut flower dealer's permits within a specified range.

Proposed law raises thresholds on civil penalty amounts for each violation of present law or any rule adopted pursuant to present law a party has been found guilty of at a first, second, or third adjudicatory hearing.

EXPENDITURES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
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	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
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 (LDAF), as it gives the Horticultural Commission authority to increase professional license and permit fees within a certain range, which would then be promulgated by administrative rule. To the extent the maximum fee allowed by this bill is promulgated, LDAF and the Horticulture Commission could collect an additional \$575,700 from professional licenses and permits based upon 2014 data.

The proposed legislation will allow the Horticulture Commission to charge fees for professional licenses at a minimum of the current rate of \$75, and up to \$150 per license. To the extent the Horticulture Commission approves the maximum license fee of \$150 and the revision is promulgated by administrative rule, the Department of Agriculture would realize an additional \$75 in revenue per license. In 2014, LDAF issued 5,822 professional licenses. To the extent license renewals are the same and the maximum fee increase is utilized, the fee increase would represent approximately \$436,700 in additional revenue annually.

The proposed legislation will allow the Horticulture Commission to charge fees for nursery stock dealer's permits at a minimum of the current rate of \$130, and up to \$175 per permit. To the extent the Horticulture Commission approves the maximum permit fee of \$175 and the revision is promulgated by administrative rule, the Department of Agriculture would realize an additional \$45 in revenue per license. In 2014, the Horticulture Commission issued 1,459 nursery stock dealer's permits. To the extent that all 1,459 nursery stock dealer's permits are renewed and the maximum fee increase is utilized, the fee increase would represent approximately \$66,000 in additional revenue annually.

The proposed legislation will allow the Horticulture Commission to charge fees for cut flower dealer's permits at a minimum of the current rate of \$70, and up to \$140 per permit. To the extent the Horticulture Commission approves the maximum permit fee of \$140 and the revision is promulgated by administrative rule, the Department of Agriculture would realize an additional \$70 in revenue per license. In 2014, the Horticulture Commission had issued 1,047 cut flower dealer's permits.

(Revenue Explanation cont. on Pg. 2)

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|--|----------------------------|-------|--|
| Senate | <u>Dual Referral Rules</u> | House | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 Rev. Red. to State {H & S} |
| <input checked="" 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:
(Revenue Explanation cont. from Pg. 1)

To the extent that all 1,047 cut flower dealer's permits are renewed, the fee increase would represent approximately \$73,000 in additional revenue.

While the proposed legislation will give the Horticulture Commission the authority to approve professional license and permit fee increases, LDAF will still need to promulgate the fee increases by rule. LDAF anticipates the majority of professional licenses and permits to be applied for or renewed prior to the promulgation of the fee increases by rule in FY 16. To the extent that this occurs, the revenue impact in FY 16 will be minimal.

The proposed legislation also raises civil penalty amounts for first, second, and third violations of present law or any rule adopted pursuant to present law at an adjudicatory hearing. The proposed legislation provides that the maximum civil penalty for each violation a party is found guilty of at a first adjudicatory hearing be increased from \$250 to \$500, an increase of \$250 per violation. The proposed legislation provides that the maximum civil penalty for each violation a party is found guilty of at a second adjudicatory hearing be increased from \$500 to \$1,000, an increase of \$500 per violation. The proposed legislation provides that the maximum civil penalty for each violation a party is found guilty of at a third adjudicatory hearing be increased from \$1,000 to \$1,500, an increase of \$500 per violation.

In 2014, LDAF had four hearings related to violations of present law or any rule adopted pursuant to present law, resulting in a total of \$9,500 in fines being imposed.

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|--|----------------------------|--------------|--|
| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 Rev. Red. to State {H & S} |
| <input checked="" 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} |

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