

FISCAL NOTE
Requested by Legislative Council
03/20/2017

Amendment to: Engrossed SB 2029

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2015-2017 Biennium		2017-2019 Biennium		2019-2021 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$85,350	\$0	\$170,700	\$0	\$170,700
Expenditures	\$0	\$50,000	\$0	\$163,003	\$0	\$163,003
Appropriations	\$0	\$50,000	\$0	\$120,000	\$0	\$163,003

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2015-2017 Biennium	2017-2019 Biennium	2019-2021 Biennium
Counties	\$0	\$0	\$0
Cities	\$0	\$0	\$0
School Districts	\$0	\$0	\$0
Townships	\$0	\$0	\$0

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

SB 2029 is part of the agriculture law rewrite process. The bill is submitted by Legislative Management on behalf of the Agriculture and Natural Resources Committee.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 1 of this bill matches language in HB 1240, that updated the fee structure for the industrial hemp research program. Section 1 of this bill adds an industrial hemp applicant fee of \$150 and increases the per acre fee from \$5 to \$25.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

The revenue amount is determined by the following: 35 applicants per year X \$150 = \$5,250; 3,064 acres combined for all applicants X \$25 = \$76,600; 70 applicant background checks per year X \$50 = \$3,500; \$85,350 X 2 years = \$170,700. All revenue will be deposited in the agriculture commissioner's operating fund. The agriculture commissioner is currently reviewing grower applicants. The projected revenue may vary depending on the final number of producers and acres approved for the grower research program.

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The agriculture commissioner will have expenditures to oversee industrial hemp growth and harvest seasons and processing. All expenditures will come out of the agriculture commissioner's budget (HB 1009) salaries and operating line items. Expenditures will be primarily for staff time in the field, laboratory testing, travel, supplies, printing, and postage. The expenditures for the 15-17 biennium only account for a portion of the industrial hemp growing season. Additional expenditures will be incurred in the 17-19 biennium. The expenditure amount is highly dependent on the number of hemp producers and acres that will be approved by the agriculture commissioner for the research pilot project.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

The expenditure amount exceeds the appropriation amount for the 17-19 biennium. The expenditure amount is highly dependent on the number of hemp producers and acres approved for the research pilot project. The agriculture commissioner is currently reviewing grower applications for the research program. The appropriation for the industrial hemp program is contained in HB 1009.

Name: Junkert/Baumiller

Agency: Agriculture

Telephone: 328-4756/328-1960

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