

February 20, 2013

The Honorable Sharon Schwartz, Chairperson
House Committee on Agriculture and Natural Resources
Statehouse, Room 149-S
Topeka, Kansas 66612

Dear Representative Schwartz:

SUBJECT: Fiscal Note for HB 2359 by House Committee on Appropriations

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2359 is respectfully submitted to your committee.

HB 2359 would update live plant dealer licensing requirements in the Plant Pest and Agricultural Commodities Certification Act. The bill would include the following changes:

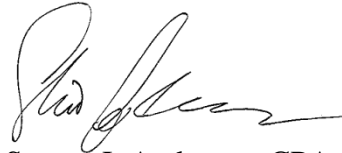
1. Require the Secretary of Agriculture to provide two license types: a standard license and a limited license;
2. Set the standard license at \$80 to be issued to live plant dealers with annual gross receipts of \$10,000 or more who imports or exports plants into or out of the state;
3. Set the limited license at \$40, to be issued to live plant dealers with gross annual receipts of less than \$10,000 who do not import or export plants into or out of the state;
4. Exempt all live plant dealers from the requirement to obtain an additional license for farmer's markets; and,
5. Establish a late fee for the holder of any license who does not renew the license by March 1.

Estimated State Fiscal Effect				
	FY 2013 SGF	FY 2013 All Funds	FY 2014 SGF	FY 2014 All Funds
Revenue	--	--	--	\$10,950
Expenditure	--	--	--	\$8,400
FTE Pos.	--	--	--	--

The Kansas Department of Agriculture estimates that approximately 450 live plant dealers that are currently exempt from the licensing requirements would be required to obtain the limited license. The agency estimates that each license costs \$20 to process, print, and mail. Furthermore, the Department estimates a decrease of 30 standard licenses due to the farmer's market exemption. Based on the above estimates the agency expects to license an additional 420 live plant dealers, increasing expenditures by \$8,400 in FY 2014.

The updated live plant dealer licensing requirements would require 450 live plant dealers to obtain the limited license. Based on a licensing fee of \$25, the agency estimates an increase in revenue of \$10,950 for licensing fees for FY 2014. The farmers market exemption would reduce the number of standard live plant dealers licenses by 30, resulting in a reduction in revenue of \$2,400. The agency also collects a \$5 emergency pest fee per live plant dealer license. Based on issuing an additional 420 licenses per year, the Department estimates an additional \$2,100 in revenue for the emergency pest fund in FY 2014 for a total net increase in fee fund revenue of \$10,950 in FY 2014. The expenditure and revenue estimates for FY 2015 would be the same as the FY 2014 estimate. Any fiscal effect associated with HB 2359 is not reflected in *The FY 2014 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", with a long horizontal flourish extending to the right.

Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Mark Heim, Agriculture