

2007 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 2291

STATUS: -1

SUBJECT: Decreases minimum license fee for nursery stock dealers, growers and producers.

GOVERNMENT UNIT AFFECTED: Department of Agriculture

PREPARED BY: Dawn Farr

REVIEWED BY: Paul Siebert

DATE: February 6, 2007

EXPENDITURES:

See Comments

	<u>2007-2009</u>	<u>2009-2011</u>
REVENUES:		
Other Funds	\$ (66,000)	\$ (66,000)

EFFECTIVE DATE: January 1, 2008

GOVERNOR'S BUDGET: This bill is anticipated by the Governor's recommended budget.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

COMMENTS: The measure decreases the minimum license fee for nursery stock dealers, growers and producers from \$65 to \$30, and allows the department to exempt, by rule, licensees who grow or deal in "low volumes" from the experimental research assessment and licensing surcharges.

The department estimates that lowering the minimum fee will encourage more licensing of small volume operators, which will help offset the negative impacts on revenues associated with lowering the fee. Other Fund revenue reductions are expected to be \$66,000. This value assumes 2,000 applicants would benefit from the \$35 reduction, resulting in Other Fund revenue reductions of \$70,000. In addition, the department expects to get 400 additional small dealers paying the minimum of \$10, which results in a Other Fund revenue increases of \$4,000. The department indicates that the \$66,000 revenue reduction is small enough to be accommodated with their existing funding.

The measure will require some new rulemaking and some additional processing, however, the department expects that additional expenditures related to this bill will be minimal and can be accommodated without adjustments to their budget request for 2007-2009.