

**2009 Regular Legislative Session**  
**FISCAL ANALYSIS OF PROPOSED LEGISLATION**  
**Prepared by the Oregon Legislative Fiscal Office**

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**MEASURE NUMBER:** SB 185 **STATUS:** Original  
**SUBJECT:** Contracts with foreign governments pertaining to agricultural or horticulture products.  
**GOVERNMENT UNIT AFFECTED:** Department of Agriculture  
**PREPARED BY:** Dawn Farr  
**REVIEWED BY:** Paul Siebert  
**DATE:** February 17, 2009 **<CORRECTED>**

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	<u>2009-2011</u>	<u>2011-2013</u>
<b>EXPENDITURES – SEE COMMENTS</b>		
<b>REVENUES:</b>		
Service Contracts - OF	\$ 265,500	\$ 283,200

**POSITIONS / FTE:**  
 See comments below.

**EFFECTIVE DATE:** January 1, 2010

**GOVERNOR’S BUDGET:** This bill is not 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.

**ANALYSIS:** The bill provides authority for the Oregon Department of Agriculture (ODA) to enter into contracts with foreign governments or foreign government agencies to provide services including but not limited to inspections, production process verification, marketing, testing and distribution of agricultural or horticultural products, and to charge fees for such services.

If the bill passes, ODA estimates that they will conduct an additional 4 tests or certifications per month taking two samples per test. Based on this volume, the combined sampling, lab testing and certification fees would generate an additional \$2,950 Other Fund revenue per month. The resulting total Other Fund revenue for the 2009-11 biennium would be \$265,000, which is slightly less than the 2011-2013 biennium estimate of \$283,200 because of the January 1, 2010 effective date.

Other Fund expenditures for testing services are estimated to be the same as revenues because fees are set at a level that ensures cost-recovery. ODA anticipates using existing Chemist staff resources to support contracts resulting from passage of the bill. Further, ODA’s essential budget level includes Other Fund expenditure limitation for contract services, and ODA does not expect to need to increase this limitation to accommodate the increased revenues that may result from passage of this bill.