

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: HB 2159 - A**

Seventy-Sixth Oregon Legislative Assembly – 2011 Regular Session  
Legislative Fiscal Office

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**Measure Description:**

Expands coverage of seed production or purchase contract laws to include additional forms of contract and additional kinds and varieties of seeds.

**Government Unit(s) Affected:**

Department of Agriculture

**Summary of Expenditure Impact:**

Agency – Fund Type	2011-13 Biennium	2013-15 Biennium
Department of Agriculture – Other Funds	\$88,059	\$65,559

**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 measure establishes stipulations and terms applicable to seed production contracts. The measure requires the Oregon Department of Agriculture (ODA) to determine the status of payments due if a seed producer or grower notifies ODA of a seed dealer's failure to pay. ODA is required to notify the seed dealer of the payment deadline and suspend the license if the dealer fails to make payment as required by the timeline of the notice. The measure allows ODA to charge a seed producer or grower a maximum fee of \$50 for determining the status of payment of a contract and a maximum of \$200 for notifying a seed dealer of payment deadline. ODA may adopt rules for administration and enforcement of the measure as well as mediation services for resolution of contract disputes. ODA is required to report to the next regular session of the Legislature on the rules adopted. The measure applies to contracts formed on or after August 1, 2011.

ODA assumes approximately 10 complaints per biennium that will require the contract review and collection activity stipulated by the measure. ODA assumes an additional unknown number of complaints will be resolved through mediation or without the required collection notification. ODA anticipates the need for a 0.25 FTE Natural Resource Specialist 2 position, totaling \$88,059 Other Funds, including associated services and supplies and Attorney General costs, to conduct the contract reviews and notification activity.

The revenue from the fees allowed by the measure is indeterminate. ODA assumes revenue will be between \$5,000 and \$10,000. ODA assumes funding for the on-going costs from the Seed program.