

FISCAL IMPACT OF PROPOSED LEGISLATION

81st Oregon Legislative Assembly – 2021 Regular Session
Legislative Fiscal Office

Measure: SB 32 - A

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Prepared by: Haylee Morse-Miller
Reviewed by: John Terpening
Date: February 25, 2021

Measure Description:

Changes amounts or amount caps for various fees related to livestock branding and feedlot licensing.

Government Unit(s) Affected:

Oregon Department of Agriculture (ODA)

Summary of Fiscal Impact:

Costs related to the measure may require budgetary action - See analysis.

Analysis:

SB 32 - A modifies fees charged by the Oregon Department of Agriculture (ODA) related to livestock branding and feedlot licensing. These fee changes include:

- The cap on the brand renewal fee for sheep increases from \$40 to \$50;
- The brand transfer fee increases from \$25 to a cap of \$50;
- The cap on the brand service fee increases from \$25 to \$35;
- The range on the brand inspection fee for cattle increases from between \$0.85 to \$1 per head of cattle, to between \$1 and \$1.35 per head of cattle.

This measure also changes the annual licensed feedlot fee from \$100, to a cap of not more than \$100. This measure contains an emergency clause and takes effect on passage, allowing ODA to immediately begin rulemaking around potential fee increases.

By increasing the statutory cap, ODA will be able to administratively adjust fee amounts to ensure the Livestock Identification Program has sufficient revenue going forward. For example, if ODA were to administratively increase the brand service fee and the cattle brand inspection fees to their maximum statutory caps, ODA would see an additional \$787,500 Other Funds revenue from these fees in the 2021-23 biennium, and \$880,000 Other Funds revenue in the 2023-25 biennium. This calculation assumes that the fee increases take effect October 1, 2021, and does not include increases to the brand renewal fee for sheep, and to the brand transfer fee, as those fees are charged on a different schedule and are more difficult to calculate for the purpose of this example. The Department will need to continue to evaluate its budget needs along with stakeholder input to determine the appropriate fee levels to be adopted by rule, which will then require ratification by the Legislature.

This measure is linked to Policy Option Package 250 (Brands Fee Increase) in the ODA 2021-23 request budget. This Package includes a placeholder revenue amount since actual fee levels for 2021-23 are not yet finalized. This Package also includes discussion of potential additional branding fee increases which are removed with the - 2 amendment.