

FISCAL NOTE

June 1, 2022

Bill No:	SB 1032	Printer's No:	1340	Sponsor:	Schwank
-----------------	---------	----------------------	------	-----------------	---------

COST / (SAVINGS)

Fund (s)	2021-22	2022-23
General Fund	See Fiscal Impact	See Fiscal Impact

SUMMARY: SB 1032 amends Title 3 (Agriculture) to add Chapter 11 concerning Agricultural Commodity Handling.

ANALYSIS: SB 1032 creates a licensure program for certifying agricultural commodity handlers and provides for the Department of Agriculture's (PDA) oversight of the program. This legislation seeks to provide financial protection for farmers in cases of agricultural commodity handler failure or insolvency. The secretary of PDA shall establish a license application process and assess fees for the license.

The bill establishes the Agricultural Commodity Indemnity Fund, which shall be funded through commodity handler license fees and a half cent per-bushel fee on agricultural commodities. Money in the fund shall be used for indemnifying farmers and to pay examination, inspection, administrative, and enforcement costs of licenses. If fund balances exceed \$10 million the secretary may waive the per bushel fee and may reinstate it if the fund is less than \$8 million. The secretary may also assess fines for violations of the act.

This act shall take effect in 120 days.

FISCAL IMPACT: PDA estimates the cost of personnel and operating costs at \$400 thousand annually. Additionally, it is estimated that it will cost around \$1 million to develop the IT software required to support this program. There is also a cost that cannot be estimated at this time for actuaries to establish the required beginning fund balance along with associated fees needed and time frame required to make this program and fund self-sustaining.