

FISCAL NOTE
Requested by Legislative Council
03/23/2009

Amendment to: Reengrossed
SB 2438

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0			
Expenditures	\$0	\$0	\$0		\$192,216	
Appropriations	\$0	\$0	\$0			

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

SB 2438, with House Amendments, creates a new program to start on July 1, 2011 within the Department of Agriculture to promote agricultural commodities that are sustainably grown in North Dakota. An advisory committee on sustainable agriculture is also created during the 2009-2011 biennium.

B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 1 tasks the Agriculture Commissioner with implementing a program to promote agricultural commodities that are sustainably grown in North Dakota. Responsibilities under this program include developing a logo, certifying producers that apply to use the logo indicating that they use sustainable growing practices, and promoting the sale and use of products identified as sustainably grown.

Section 2 has the commissioner appointing an advisory committee on sustainable agriculture.

The Department of Agriculture is not currently adequately staffed for this program. This program would require either new staff to manage this program or contracting with an outside entity to perform these responsibilities.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

This bill allows the Agriculture Commissioner to charge producers a fee for participating in the program with the fees deposited in the general fund. We do not know what fee would be appropriate, nor can we anticipate how many producers would participate in the program. Thus the potential impact to revenues is unknown.

The advisory committee on sustainable agriculture may also accept funds that would be appropriated on a continuing basis to the commissioner. It is not known how much funds could be collected.

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The Department of Agriculture would require an additional FTE to perform the functions outlined in the bill. We estimate that this FTE would require a total of \$192,216 during the biennium including salary and benefits, as well as

operating costs such as travel, rent and supplies. These expenditures would start during the 2011-2013 biennium to coincide with the effective date of the program.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

SB 2438 does not contain an appropriation and was not included in the executive budget. It does create a continuing appropriation for any funds collected by the advisory committee on sustainable agriculture.

Name:	Justin Dever	Agency:	Department of Commerce
Phone Number:	328-7258	Date Prepared:	03/23/2009