

Individual State Agency Fiscal Note

Bill Number: 6638 SB	Title: Assessment on cattle	Agency: 495-Department of Agriculture
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2016	FY 2017	2015-17	2017-19	2019-21
Agricultural Local		11,000	11,000	22,000	22,000
Account-Non-Appropriated 126-6					
Total \$		11,000	11,000	22,000	22,000

Estimated Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). A fiscal analysis was prepared to show the projected ten-year cost to tax or fee payers of the proposed taxes or fees. The ten-year projection can be viewed at

<http://www.ofm.wa.gov/tax/default.asp>

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

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If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

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If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

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Capital budget impact, complete Part IV.

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Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 02/02/2016
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Agency Approval: Mark Johnson	Phone: (360) 902-1986	Date: 02/03/2016
OFM Review: Heather Matthews	Phone: (360) 902-0543	Date: 02/04/2016

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Senate Bill 6638 would increase the assessment levied on all Washington cattle sold from one dollar per head to two dollar per head.

The increased assessment would not apply to "green tag" cattle as defined in RCW 16.57.160.

The bill would also require the Washington State Beef Commission (Beef Commission) to submit a report by January 1st of each year to account for the amounts collected, the amount spent, and the purpose for which the funds were used.

This legislation would add an estimated \$1.1 million annually to the Beef Commission budget.

The Washington State Department of Agriculture (WSDA) has a collection services contract with the Beef Commission and collects three percent of the assessments submitted to the WSDA. Based on historical amounts collected by the WSDA (and not remitted directly to the Beef Commission by businesses), this legislation could generate an estimated additional \$11,000 per year for the WSDA.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

The WSDA has a collection services contract with the Beef Commission and collects three percent of the assessments submitted to the WSDA. In 2015, the WSDA collected \$370,937 in assessments equaling \$11,128 in service charge revenue. Based on the Beef Commission's assumption of doubling their budget, WSDA can assume the same and project an additional \$11,000 in revenue starting in fiscal year 2017.

The Beef Commission would receive an estimated additional \$1.1 million per year in revenue.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

No expenditure impact on the WSDA, but the Beef Commission would have an additional \$1.1 million per year in expenditures related to the work of the commission.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

NONE

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

WSDA expects no rule changes because of this proposed legislation.