

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

**L.R. No.:** 1925-10  
**Bill No.:** Truly Agreed To And Finally Passed CCS for HCS for SB 462  
**Subject:** Cooperative marketing associations; Agroforestry; Farmland Protection Act; Fencing Laws; Water Conservation Districts; Veterinarian Loan Repayment Program; Motor Fuel.  
**Type:** Original  
**Date:** June 6, 2001

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Veterinary Medical Board Fund	(\$2,666)	(\$2,728)	(\$2,792)
State School Moneys Fund	\$0	\$0	\$0
Petroleum Inspection Fund	(\$200,008)	(\$105,039)	(\$107,828)
General Revenue	Unknown exceeding (\$75,097)	Unknown exceeding (\$122,382)	Unknown exceeding (\$172,002)
<b>Total Estimated Net Effect on <u>All</u> State Funds*</b>	<b>Unknown exceeding (\$277,771)</b>	<b>Unknown exceeding (\$230,149)</b>	<b>Unknown exceeding (\$282,622)</b>

\* Does not include unknown costs for the Agroforestry Program.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
<b>Local Government</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 15 pages.

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Agriculture(AGR) - Division of Animal Health** stated the proposal will have no fiscal impact on their division.

Officials from the **AGR - Division of Weights and Measures** stated the MDA Fuel Quality Program will require the equivalent of one-half additional chemist to handle the extra testing of all gasoline samples as well as instructing the service station operators, suppliers, and terminals as to the requirements. One additional Fuel Device Safety Inspector will be required to assist in enforcement of the labeling and documentation requirements. The chemist will use existing gas chromatograph and the inspector will require a pickup truck, camper shell, sample collection equipment, and oxygenate analyzer. The existing three inspectors will also each use an oxygenate analyzer. The inspectors will carry portable oxygenate analyzers and will be used as needed for enforcement purposes. A one-half clerk typist II will be required to handle the request for labels and distribution of notice of violations.

**Oversight** assumes that while there is no change in the six million dollar cap on the New Generation Cooperative Incentive Tax Credit, this legislation allows for an expansion in the organizations that may qualify for the credit.

Officials from the **Coordinating Board for Higher Education (CBH)** assume the proposal will not fiscally impact the CBH.

Officials from the **Department of Conservation (MDC)** assume for sections 252.303 through 252.333 dealing with agroforestry, the fiscal impact is unknown at this time due to the permissive language of the proposed legislation and the uncertainty of availability of MDC funds. For the other sections of SB 462, the proposed legislation does not appear to have a fiscal impact on MDC funds.

Officials from the **Department of Economic Development–Division of Professional Registration (DPR)** assume the following:

- ▶ The majority of contracts entered into would be for a five year period.
- ▶ The student loan repayment would be appropriated from General Revenue and placed in the Large Animal Veterinary Medicine Loan Repayment Program Fund. The cost for student loan repayment would be up to \$50,000 the first year for five participants, \$100,000 the second year for 10 participants, and \$150,000 the third year for 15 participants. The annualized fiscal impact for this fiscal note would be \$150,000. The maximum repayment would be up to \$250,000 per year for 25 participants. This does not include expenses incurred to administer the program.

ASSUMPTION (continued)

The additional responsibilities and expenses, with the exception of the additional board's meeting expenses, that would be incurred to administer the legislation could be absorbed by existing staff. However, it could be necessary to add additional FTE in the future to handle the increase in workload that would occur as the program grows.

- ▶ The board would need to establish guidelines for ensuring that the participants of the program adhere to their contractual agreement. It is assumed that existing staff could absorb the additional duties required to ensure proper contractual agreement. However, additional FTE could be necessary as the program grows.
- ▶ One additional board member meeting per year would be needed in order to determine five qualified individuals for the program and the area of need the five individuals would practice. The six board members appointed would each be paid \$50 per diem.  
 $6 \text{ board members} \times \$50 \text{ per day} \times 2 \text{ days} \times 1 \text{ additional meeting} = \$600 \text{ per year.}$
- ▶ The additional board meeting per year would have the following travel expenses. The total cost would be \$2,066:

Mileage: It is estimated that each board member would drive an average of 240 miles round trip x 1 additional meeting per year x 6 members x \$.285 per mile = \$410.

Lodging: It is estimated that each board member would have additional hotel costs of \$75 per night x 2 additional night per year x 6 members = \$900

Meals: Meal costs are estimated at \$35 per day x 2 days x 1 additional meeting per year x 9 individuals (includes the AG Representative, Principal Assistant and the Clerk IV) = \$630. In addition, a dinner meal for the evening prior to the meeting would cost \$21 x 1 meeting x 6 members = \$126. Therefore, total meal expense would be \$756.

DPR has included the cost of loan repayments in the General Revenue Fund. The proposal states that moneys in the Large Animal Veterinary Medicine Loan Repayment Program Fund would be used by the Missouri Veterinary Medical Board to provide loan repayments. **Oversight** assumes the income to the Large Animal Veterinary Medicine Loan Repayment Program Fund would be minimal since the income would be from a breach of contract between the individual and the board.

ASSUMPTION (continued)

Assuming the school districts utilize the maximum amount allowed under the bill, based on .007 of \$132,373.402 (entitlement authorized for 1998-99) and a 4% growth for three years, officials of the **Department of Elementary and Secondary Education (DES)** indicated that the maximum effect of the proposal would be:

2002-03: \$132,373,402.00 x .007 = \$ 926,613.81  
2003-04: \$ 926,613.81 x 1.04 = \$ 963,678.37  
2004-05: \$ 963,678.37 x 1.04 = \$ 1,002,225.50  
2005-06: \$ 1,022,225.50 x 1.04 = \$ 1,042,314.52

Officials from the **Department of Health (DOH)** assumes at section 322.140(2) that the DOH shall investigate incidents of animal bites or exposure of persons with rabies or other zoonotic disease in cooperation with the local public health agency in the county where the exposure occurred. This would conform to the usual and customary working relationship established between the DOH and the Missouri local public health agencies for investigating infectious diseases. Such investigations are more efficient when handled locally. Funding one FTE, a Health Program Representative III, will be necessary to assure that the mandates of this bill are carried forth.

The HPR III will work with the state public health veterinarian and will coordinate animal incident investigations and follow-up. The position will manage rabies reporting, data analysis and report preparation. (S)he will ensure all reported incidents of animal bites or exposure to humans are systematically investigated according to established protocols. In addition, (s)he will ensure all public health recommendations for animal quarantine, animal destruction and testing are carried out and that rabies prophylaxis is available and administered according to recommendations. The position will also track legal action relevant to the DOH concerning injured parties seeking restitution from the owner of the animal involved in the incident.

In 1999, the DOH provided consultation for 248 incidents of persons bitten/exposed to animals with unknown rabies disease, or testing positive for rabies or zoonotic disease; approximately 150 of these animals (60%) had a known owner and approximately 98 (40%) of the animals were wild or had no known owner. Approximately 180 animals required quarantine for 10 days at an estimated cost of \$100 per animal. There is no cost to test an exposed person for rabies, as no test is available to identify rabies virus in humans immediately following an animal bite or contact to animal saliva in a scratch or mucous membrane to determine the necessity of rabies prophylaxis. Other tests for human exposure to zoonotic diseases cover a wide variation; therefore, this cost is unknown.

ASSUMPTION (continued)

The State Public Health Lab tests approximately 1,370 animals per year suspected of having rabies and have exposed someone. According to this bill, the individual owning the animal would be subject to paying the laboratory costs associated with the laboratory testing. The FY 00 laboratory cost for rabies examination was \$43 per animal, and was absorbed by the General Revenue fund. An estimated laboratory cost of \$46 was used for FY 02 with a 5% increase for subsequent years. The \$46 is comprised of \$23 Personal Service, \$7 Fringe (DOH rate of 30%), and \$16 E&E.

Based on percentages known and presented above, the DOH assumes that 40% (548 tests) would continue to be supported by General Revenue dollars. 60% of the 1,370 animals tested will have a known owner, and will therefore be funded by those owners, with revenue deposited in the General Revenue fund, absent language in the bill that would have allowed deposit to be made into the Missouri Public Health Services Fund:  $1,370 \times 60\% = 822$  tests. The revenue anticipated to the General Revenue fund is as follows:  $822 \text{ tests} \times \$46 \text{ per test} = \$37,812$ . The Summary of Fund Costs reflects these figures adjusted with 10 months in year one, plus inflation in years 2 and 3.

The DOH assumes that the State Public Health Lab would be permitted under this legislation to charge a fee estimated at \$46 for the costs of such test, and the owner would make such amount payable to the General Revenue Fund. The DOH would deposit such payment into the fund.

Officials from the **Department of Highways and Transportation (DHT)** stated the MoDOT Project Development Manual specifies that all interstate highways shall have continuous fencing to preserve access control. In areas where due to slopes, natural barriers or other means, access control can be achieved without fencing, fencing will not be required.

The Missouri Highways and Transportation Commission (MHTC) has approximately 1,180 miles of interstate routes, 6,800 miles of primary routes, and 24,300 miles of supplementary routes. Since most landowners prefer to install and maintain their own fencing, it is assumed that the MHTC could be responsible for repairs and maintenance of approximately 1/10th of 1 percent of the fencing along primary and supplementary routes  $(6,800 + 24,300) \times 0.001 = 31.1$  miles of primary and supplementary routes. Assuming that there is fencing on both sides of the road, the total miles of fence to repair/maintain would be 62.2 miles  $(31.1 \times 2)$ .

Due to the lack of accurate numbers to reflect the annual maintenance/repair costs for fencing, the DHT assumes that the maintenance/repair costs are equal to the construction costs divided by the design life. The 2000 Unit Bid book indicates that the statewide average cost to construct wovenwire fencing equals \$16,120 per mile. Assuming a 20 year design, the annual cost for maintenance/repair of fencing would be \$50,133  $[(\$16,120 \text{ per mile cost} \times 62.2 \text{ miles})/20 \text{ years} = \$50,133]$ .

ASSUMPTION (continued)

Since the MHTC would be responsible for only 50 percent of the costs, the annual fiscal impact to the DHT would be \$25,067 (\$50,133/2) for maintenance/repair of fencing on primary and supplementary routes.

**Oversight** assumes the DHT would not incur additional costs for maintenance/repair of fencing on primary and supplementary routes as a result of the proposed legislation.

Officials from the **Department of Insurance**, the **Department of Labor and Industrial Relations**, the **Missouri Highway Patrol**, the **Office of State Courts Administrator**, the **Office of the Governor**, and the **Office of State Treasurer** assume the proposed legislation will not fiscally impact their agencies.

Officials from the **Office of Prosecution Services** assume costs associated with the proposed legislation can be absorbed within current funding levels.

Officials with the **Office of the Secretary of State (SOS)** stated this bill repeals certain sections and enacts in lieu thereof, sixty new sections relating to agriculture, conservation, agricultural cooperatives, zoonotic disease, Farmland Protection Act, health-related issues, securities-related issues, etc. Based on experience with other divisions, the rules, regulations and forms issued by the Department of Elementary and Secondary Education, the Department of Conservation, the University of Missouri, Center for Agroforestry and Extension Services, the USDA, the Farmland Protections Act, the Missouri Department of Health, the Office of Secretary of State, the Commissioner of Securities and the Department of Agriculture could require as many as 54 pages in the *Code of State Regulations*. For any given rule, roughly half again as many pages are published in the *Missouri Register* in the *Code of State Regulations* because cost statements, fiscal notes and the like are not repeated in Code. These costs are estimated. The estimated cost of a page in the Missouri Register is \$23.00. The estimated cost of a page in the Code of State Regulations is \$27.00. The actual cost could be more or less than the numbers given. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded or withdrawn. Therefore, the SOS estimates the cost of the proposed legislation to be \$3,321 in FY 02 [(54 pgs. x \$27) + (81 pgs. x \$23)].

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Revenue (DOR)** assume the Office of Administration, Division of Budget and Planning will estimate the general revenue impact. The DOR does not anticipate a significant increase in the number of new credits filed. Therefore, the DOR will not request additional FTE at this time.

ASSUMPTION (continued)

Officials from the **Office of the Attorney General (AGO)** stated the AGO anticipates that if any challenge is filed to challenge the Farmland Protection Act (Section 262.800 - 262.810), the AGO shall defend any such action. While the cost to defend such action could likely be absorbed with existing resources, the statute (Section 262.802.14) also requires “any owner that is subject to the provision of the act to be apprized of the status of such action.” This requirement would result in 0.25 FTE (Paralegal) to identify who needs to be informed and follow up with those landowners as the litigation develops.

In addition, this subsection allows the landowner to request separate representation if he asserts arguments in conflict with arguments asserted by the Attorney General. Based upon previous experience with costs of retaining outside counsel, the AGO anticipates the retaining of a special assistant attorney general could cost as much as \$100,000 annually.

**Oversight** assumes the AGO could meet the requirements of informing landowners of pending litigation with existing resources and would not require an additional 0.25 FTE. However, due to the need to retain a special assistant attorney general, Oversight assumes the AGO could incur unknown costs up to \$100,000 annually.

Oversight assumes this proposal changes general law regarding public utilities and lands that are located in un-platted areas and used for agriculture or residential purposes or both. Oversight assumes that public utility companies and local governments will have a delay in recovering costs of running utilities into affected areas. Oversight assumes that local governments will have to consider not being able to recover costs for expanding services when crossing farmlands. With exception to Public Water Supply Districts, Oversight assumes the act of expanding services into agricultural areas to be discretionary. Oversight assumes the cost of abeyance to be (unknown).

Officials from the **Department of Corrections (DOC)** did not respond to our request for fiscal impact.

**Oversight** assumes that the conviction and incarceration of only one person would create a minimal fiscal impact of less than \$100,000 annually.

Officials from the **University of Missouri (UM)** did not respond to our request for fiscal impact. However, in previous versions of legislation contained in this proposal, UM officials assumed the legislation would not fiscally impact their organization.

ASSUMPTION (continued)

Officials from the **Department of Natural Resources (DNR)** provided the following assumptions regarding the proposed legislation:

Section 252 (Agroforestry) - This proposal would have no direct fiscal impact on the department.

Section 262 (Farmland Protection) - The proposed legislation allows the state or political subdivisions to hold water and sewer assessments in abeyance until improvements on rural property of more than 10 acres are connected to the system. This does not affect the department's authority. Therefore, these provisions would have no direct fiscal impact on the department.

Section 278 (Watershed Districts) - The proposed legislation relates to Public Law 566 watershed projects. There are no state funds used for the PL 566 effort. Therefore, the department will not be fiscally impacted by this legislation.

Section 414 (Biodiesel Buses) - Implementation is the responsibility of the Department of Elementary and Secondary Education. Funding is subject to appropriation.

(Fencing) - The state is not specifically exempted from this legislation. However it is assumed that the state has sovereign immunity from a bill governing political subdivisions.

In the past, the DNR has not been obligated to share fencing responsibilities, but has done so voluntarily along the Katy Trail Corridor.

Assuming the state is exempted from this proposal, the department would not be fiscally impacted by this bill. If the state is not exempted from this legislation, there could be future costs for the department.

(Pesticide Project Fund) - The proposed legislation states that only the entities listed are eligible to submit proposed projects to be funded. Since the DNR is not one of the entities listed, there would not be a direct fiscal impact.

(Soil and Water Conservation Districts) - No fiscal impact to the department.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
<b>VETERINARY MEDICAL BOARD FUND</b>			
<u>Costs - Department of Economic Development - Division of Professional Registration</u>			
Board Meeting Expenses	<u>(\$2,666)</u>	<u>(\$2,728)</u>	<u>(\$2,792)</u>
<b>ESTIMATED NET EFFECT ON VETERINARY MEDICAL BOARD FUND</b>	<b><u>(\$2,666)</u></b>	<b><u>(\$2,728)</u></b>	<b><u>(\$2,792)</u></b>
<b>CONSERVATION COMMISSION FUND</b>			
<u>Costs - Department of Conservation</u>			
Agroforestry Program	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON CONSERVATION COMMISSION FUND</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>
<b>PETROLEUM INSPECTION FUND</b>			
<u>Costs - Department of Agriculture</u>			
Personal Service Costs (2 FTE)	<u>(\$43,983)</u>	<u>(\$54,099)</u>	<u>(\$55,451)</u>
Fringe Benefits	<u>(\$14,660)</u>	<u>(\$18,031)</u>	<u>(\$18,482)</u>
Equipment and Expenses	<u>(\$141,365)</u>	<u>(\$32,909)</u>	<u>(\$33,895)</u>
Total <u>Costs</u> - Department of Agriculture	<u>(\$200,008)</u>	<u>(\$105,039)</u>	<u>(\$107,828)</u>
<b>ESTIMATED NET EFFECT ON PETROLEUM INSPECTION FUND</b>	<b><u>(\$200,008)</u></b>	<b><u>(\$105,039)</u></b>	<b><u>(\$107,828)</u></b>
<b>GENERAL REVENUE FUND</b>			
<u>Income - Department of Health</u>			
Lab Testing Fees	\$31,510	\$39,703	\$41,688
<u>Costs - Department of Health</u>			
Personal Service (1 FTE)	<u>(\$31,375)</u>	<u>(\$38,592)</u>	<u>(\$39,557)</u>
Fringe Benefits	<u>(\$10,457)</u>	<u>(\$12,863)</u>	<u>(\$13,184)</u>
Equipment and Expenses	<u>(\$14,775)</u>	<u>(\$10,630)</u>	<u>(\$10,949)</u>
Total <u>Costs</u> - Department of Health	<u>(\$56,607)</u>	<u>(\$62,085)</u>	<u>(\$63,690)</u>

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
<b>GENERAL REVENUE FUND (cont.)</b>			
<u>Costs - Department of Economic</u>			
<u>Development - Division of Professional</u>			
<u>Registration</u>			
Loan Repayments	<u>(\$50,000)</u>	<u>(\$100,000)</u>	<u>(\$150,000)</u>
<u>Costs - Transfers to State School Moneys</u> Fund	\$0	(\$0 to \$926,614)	(\$0 to \$963,678)
<u>Costs - Office of Attorney General</u>			
Assistant Attorney General	Unknown up to <u>(\$100,000)</u>	Unknown up to <u>(\$100,000)</u>	Unknown up to <u>(\$100,000)</u>
<u>Costs - Department of Corrections</u>			
Parole, Probation, and Incarceration Costs	Unknown up to <u>(\$100,000)</u>	Unknown up to <u>(\$100,000)</u>	Unknown up to <u>(\$100,000)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>Unknown exceeding (\$75,097)</u></b>	<b><u>Unknown exceeding (\$122,382)</u></b>	<b><u>Unknown exceeding (\$172,002)</u></b>
<b>STATE SCHOOL MONEYS FUND</b>			
<u>Income - Transfers from General</u> Revenue Fund	\$0	\$0 to \$926,614	\$0 to \$963,678
<u>Cost - Distributions to School Districts</u>	<u>\$0</u>	<u>(\$0 to \$926,614)</u>	<u>(\$0 to \$963,678)</u>
<b>ESTIMATED NET EFFECT ON STATE SCHOOL MONEYS FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
<b>SCHOOL DISTRICTS</b>			
<u>Income - Increased State Aid</u>	\$0	\$0 to \$926,614	\$0 to \$963,678
<u>Cost - difference between market price of diesel and cost of biodiesel</u>	\$0	(\$0 to \$926,614)	(\$0 to \$963,678)
<b>ESTIMATED NET EFFECT ON SCHOOL DISTRICTS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
<b><u>POLITICAL SUBDIVISIONS</u></b>			
<u>Costs - Local Governments</u>			
Abeyance of cost of utility services	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON LOCAL GOVERNMENT</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>

FISCAL IMPACT - Small Business

Small businesses which share fences with adjoining landowners could be affected as a result of this proposal.

Small businesses will incur additional paperwork due to the requirement to specify the presence of oxygenates in fuel on each delivery ticket. Terminal operators must purchase and maintain expensive testing equipment to measure the amount of MTBE (or other ethers) in every shipment of gasoline received at the terminal. The anticipated cost is unknown.

DESCRIPTION

AGROFORESTRY - This act expands the Missouri Economic Diversification and Afforestation Act of 1990 to include more recent agroforestry practices. This act would make the development of an agroforestry program by the Department of Conservation discretionary rather than mandatory. The Director of the Department of Conservation may enter agreements with individual landowners to make incentive payments during the enhancement phase. The Director may seek advice and cooperate with USDA. The ability of the Director to enter agreements with the United States Department of Agriculture in administering payments is removed and the amount of the incentive payment as well as eligibility requirements are modified.

FARMLAND PROTECTION ACT - This act creates the Farmland Protection Act. The provisions of the act only apply to tract of real property that are comprised of at least 10 contiguous acres and at least 75% of the property must be used for farming purposes. The state or any political subdivision shall hold sewer and water assessments in abeyance until improvements on property covered by the act are connected to the sewer or water system or when the property ceases to be used for farming purposes. If the political subdivision requires connection to the sewer system pursuant to section 644.027, the payment of the assessment will not be triggered. The political subdivision shall notify the owner of the details of the assessment and the provision of the Farmland Protection Act.

DESCRIPTION (continued)

In Kansas City, property entitled to protection pursuant to this act, an initial assessment can be charged for the proportionate cost of water or sewer improvements up to \$500 per acre but not to exceed \$10,000. The remaining portion will be held in abeyance until improvements on property covered by the act are connected to the sewer or water system.

If a political subdivision sues to have this act declared null and void, the State shall be added as a party and represented by the Attorney General. If the owner of the property requests separate representation in writing the Attorney General may appoint a Special Assistant Attorney General under certain circumstances. If the political subdivision then loses the suit they will be liable to reimburse the state for the costs of defense.

A notice is required to be given to purchasers of property located within one-half mile of any property used for agriculture or farming purposes and the language of the notice is provided.

Property subject to the provisions of the act may not be taken by eminent domain unless a public hearing is held.

**AGRICULTURAL COOPERATIVES** - The restriction on cooperative marketing associations dealing with non-members is revised. Cooperative marketing associations must do at least 25 percent of its business with its members. The restriction is changed in Section 274.060, RSMo, which deals with Cooperative Marketing Associations and the definition of Section 409.401, RSMo, dealing with securities.

**FENCING** - Fencing requirements are modified. A lawful fence will consist of post and wire or boards at least 4 feet high. If a party claims damage a court will appoint 3 disinterested persons to inspect the fence and the costs would be taxed as costs in the court case. If a landowner desires to construct or repair a fence the owner must give written notice of the intention to adjoining landowners. The landowners will meet and each construct or repair one half of the common property line. If they cannot agree, they may make application to an associate circuit judge who will appoint three disinterested persons. Any existing agreements not consistent with this procedure must be in writing, signed and recorded. If a landowner fails or refuses to build or repair the landowner's portion of the fence the other landowner may perform the work and apply to the court for reimbursement plus court costs and attorney's fees. Any judgment would then be a lien on the property.

If either landowner does not need a fence the landowner needing the fence may build the entire fence. The landowner would then apply to the associate circuit judge who would authorize the cost to be recorded on each deed. Thereafter if the landowner who claims he or she did not need the fence places livestock on the property the landowner who built the fence would then be

DESCRIPTION (continued)

entitled to be reimbursed for one half of the cost. Nothing will prevent adjoining landowners from agreeing that no fence is needed. Nothing will prevent either of the adjoining landowners from building a fence in excess of the lawful fence requirements.

The provisions for local option remain in current law.

**WATERSHED DISTRICTS** - The term for soil and water conservation subdistricts is changed to watershed districts. Authority for soil and water conservation watershed districts would vest with the watershed district except in matters of formation, consolidation, expansion or disestablishment of the watershed district. The soil and water conservation district supervisor of the soil and water conservation district will act in an advisory capacity to the watershed district board and watershed district trustees are vested with governing authority. Five landowners living in the watershed districts will be elected as trustees of the watershed district. Vacancies in unexpired terms will be filled by appointment by the state soil and water districts commission.

**ANIMALS** - This act provides for the Department of Health to investigate and issue orders in instances where an animal has bitten or otherwise exposed a person to the possibility of contracting rabies or any zoonotic disease when counties have not adopted rules pursuant to Sections 322.090 to 322.130. The Department of Health shall investigate the incident and issue orders to prevent and control rabies or zoonotic disease. The Department of Health shall have discretion to order the animal quarantined, isolated, impounded, immunized or disposed of. The Department of Health is granted rulemaking authority concerning the classification of a disease as a zoonotic disease. It shall be a Class A misdemeanor for the owner of an animal to knowingly fail or refuse to comply with the orders of the Department of Health or to attempt to transfer or dispose of the animal.

This act makes the owner of the animal responsible for the costs associated with the incident. The owner of the animal shall be liable to the injured person for all damages.

Certain animal owners are prohibited from keeping certain animals domestically without registering with local law enforcement. This act adds bears, non-human primates, and deadly or dangerous reptiles over eight feet long to the list. Failure to register the animal is a Class C misdemeanor. The definition of "animal" for purposes of animal abuse is revised.

**LARGE ANIMAL VET LOAN REPAYMENT PROGRAM** - This act would create the Large Animal Veterinary Medicine Loan Repayment Program. The Missouri Veterinary Medical Board would designate areas of defined need. Up to five veterinary students, in their final year of education, would be eligible to enter a contract with the Board to receive up to \$10,000 for each year of obligated services. Funds for the program are subject to appropriation.

DESCRIPTION (continued)

TAX CREDITS - The New Generation Cooperative Incentive Tax Credit is modified to change the allocation of the tax credits between small capital costs projects, employee qualified capital projects and large capital projects as well as eligibility to claim the credit. This provision has an emergency clause.

FARM EQUIPMENT - Retailers who sell and service farm equipment and who do warranty work shall be reimbursed by the manufacturer at the same hourly rate as nonwarranty work.

BIODIESEL - School districts, for school years 2002-2003 and lasting through 2005-2006, are allowed to establish contracts with nonprofit, farmer-owned new generation cooperatives to supply bus fuel containing at least 20% biodiesel. Subject to appropriation, districts that establish contracts will receive additional state transportation aid for costs above the rack price for regular diesel fuel. Initial statewide payments are capped at 0.07% of the 1998-1999 entitlement for state transportation aid, but may be increased by 4% each year.

OXYGENATES - Sellers of motor fuel which has been blended with at least one percent oxygenate by weight are required to notify consumers at the pump of the type of oxygenate used. This requirement can be satisfied by placing a sticker on the pump that the fuel may or may not contain the oxygenate. The Department of Agriculture shall provide the stickers at no cost.

CROP PROTECTION ACT - Creates civil and criminal liability for knowingly damaging or destroying any field crop product.

LIVESTOCK DISEASE CRIME - It is a Class D felony for a person to purposely spread any type of contagious, communicable or infectious disease among livestock. There is a defense if the spreading is consistent with medically recognized therapeutic procedures.

CRIME OF INTENTIONAL RELEASING ANIMALS - Creates crime of knowingly releasing an animal. A first offense would be a Class B misdemeanor and subsequent offenses would be a Class D felony.

USE OF WATER - Nothing will prevent landowners from using private water systems and ground source systems anywhere and anytime so long as DNR rules and regulations are met. Landowners who use private water shall not be forced to purchase water from another water source system.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Attorney General  
Department of Agriculture  
Office of the Governor  
Coordinating Board for Higher Education  
Department of Economic Development - Division of Professional Registration  
Department of Elementary and Secondary Education  
Department of Highways and Transportation  
Department of Health  
Department of Labor and Industrial Relations  
Department of Insurance  
Department of Revenue  
Department of Conservation  
Department of Public Safety - Missouri Highway Patrol  
Office of Prosecution Services  
Office of Secretary of State  
Office of State Treasurer  
Department of Natural Resources  
Office of State Courts Administrator

NOT RESPONDING:

**Department of Corrections**  
**University of Missouri**



Jeanne Jarrett, CPA  
Director  
June 6, 2001