

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**April 25, 2017**

**TO:** Honorable Tracy O. King, Chair, House Committee on Agriculture & Livestock

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB4222** by Springer (Relating to the regulation of the labeling, sale, offering, exposing or transporting for sale of agricultural, vegetable, flower, and tree and shrub seeds for certification; to prevent misrepresentation thereof; making changes to the State Seed and Plant Board; to repeal all laws in conflict with this Act; changing the amount of a fee.), **As Introduced**

The fiscal implications of this bill cannot be determined because the extent of the effect of a cap on seed inspection fees on the state's ability to operate the seed and plant certification and regulatory programs on a cost recovery basis is unknown.

The bill would transfer certain functions related to the regulation of agricultural, vegetable, flower, plant, tree and shrub seeds in Chapters 61 (inspection, labeling and sale of agricultural and vegetable seed) and 62 (seed and plant certification) from the Texas Department of Agriculture (TDA) to the Texas A&M AgriLife Extension Service (the Extension Service). The bill would also eliminate the State Seed and Plant Board, which establish standards of generic purity and identity for seed certification, and transfer certain of the Board's responsibilities to the Extension Service as well. This analysis assumes that changes to which entity administers provisions of Chapters 61 and 62 of the Agriculture Code would not have significant fiscal implications for the state.

TDA reports that the bill would eliminate funding and staffing needs for its seed certification and verification programs, resulting in an estimated cost savings of \$2.9 million per fiscal year and a reduction in full-time equivalent (FTE) positions of 23.3 FTEs. These programs are funded on a cost-recovery basis by fees paid by industry. Various fees for field inspections, seed labels, seed arbitration filing fees, and seed testing and licenses are collected to recover the direct and indirect cost of the seed certification and verification programs.

The bill would authorize the Extension Service to recover the costs of the transferred functions through existing fee authorizations that the bill would not alter. However, the bill would cap the inspection fee for agricultural seed sold for planting purposes to an amount not to exceed \$1,000. The revenue effect of this cap cannot be determined because the amount of the agricultural seed inspection fee that the Extension Service would establish is unknown. Many of the existing agricultural seed inspection fees are assessed on a per acre basis. The extent of the effect of the cap on the state's ability to operate the seed and plant certification and regulatory programs on a cost recovery basis is also unknown.

The bill would also change the penalty for the offenses of selling or offering for sale seed or plants not in compliance with Chapter 62 or representing non-certified seed or plants for sales as certified from a Class B to a Class C misdemeanor. This provision is not anticipated to have a

significant fiscal impact to state or local government.

The bill, if enacted, would take effect September 1, 2017.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 551 Department of Agriculture, 710 Texas A&M University System Administrative and General Offices

**LBB Staff:** UP, SZ, JJ, ZS, JN