

Department of Planning and Budget 2003 Fiscal Impact Statement

1. Bill Number SB976

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron Trumbo

3. Committee Agriculture, Conservation, & Natural Resources

4. Title Virginia Cattle Industry Board; subsequent referendum.

5. Summary/Purpose: The bill increases the assessment on cattle sold in Virginia from 25 cents to 50 cents, subject to a referendum to be held by the Board of Agriculture and Consumer Services upon a petition by at least 10 percent of the cattle producers in the Commonwealth. Any such referendum would be for the consideration of continuing the Virginia Cattle Industry Board and for continuing the tax of 50 cents per head of cattle sold in Virginia. The tax, raised from 15 cents to 25 cents in 1983, does not apply to dairy cows going to farms for milk production or to cows selling for less than \$20. Money collected from collection of the tax goes to the Virginia Cattle Industry Board, which was established in 1970 for the purpose of engaging in research, education, and promotion of the use and sale of beef and beef products. The enactment clause states that the 50 cents per head assessment shall only be effective after a referendum as provided for in the bill.

6. Fiscal impact estimates are preliminary. See item 8.

7. Budget amendment necessary: No, the appropriation for the Virginia Cattle Industry Board may be adjusted administratively as needed.

8. Fiscal implications: There will be no expenditure impact unless 10 percent of the Virginia cattle produce a petition for a referendum on the continuation of the Virginia Cattle Industry Board and the assessment. It is not known when, if ever, this might occur. It is estimated that such a referendum would cost \$39,000, and the bill provides that the cost of conducting the referendum shall be paid from funds collected by the Virginia Cattle Industry Board.

There will be no revenue impact from the change in the assessment unless the current national assessment is terminated as a result of federal court action. Currently, the national cattle assessment program is being challenged in federal courts. Currently, \$1.00 per head is collected, 50 cents per head remains with the Virginia Cattle Industry Board, and the other 50 cents per head goes to the national program. If the national program is terminated, the total assessment collected would decrease by 50 percent, representing the half that goes to the national program. This bill would continue the 50 cents amount per head that currently is retained by the Virginia Cattle Industry Board under the national cattle assessment program so that there would be no impact on revenue available for use by the Virginia Cattle Industry Board. Since the outcome in federal courts is unknown, it is not known which fiscal year

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change in the assessment would occur, if it occurs at all.

9. Specific agency or political subdivisions affected: Virginia Cattle Industry Board, Department of Agriculture and Consumer Services.

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 1/15/03 kbs

Document: G:\03Fis\Sb976.Doc Kendra Shifflett

cc: Secretary of Commerce and Trade