

## Department of Planning and Budget 2018 Fiscal Impact Statement

**1. Bill Number:** SB374

**House of Origin**    ☐ Introduced        ☐ Substitute        ☐ Engrossed  
**Second House**    ☐ In Committee    ☒ Substitute        ☐ Enrolled

**2. Patron:**        Chafin

**3. Committee:** Agriculture, Chesapeake and Natural Resources

**4. Title:**        Cattle Industry Board; assessment from sale of cattle.

**5. Summary:** This bill renames the Beef Industry Council as the Cattle Industry Board (the Board) and renames the Virginia Beef Industry Fund as the Virginia Cattle Industry Fund (the Fund). The bill simplifies the definition of the term "cattle" and reduces the size of the Board from 15 to 11 members. The bill increases the amount of the assessment from the sale of cattle from \$0.25 per head to \$0.50 per head; the assessment continues to be deposited in the Fund to support Board activities. The bill allows producers who are dissatisfied with the assessment and the Board's use of it to receive a refund. The bill distinguishes the National Beef Checkoff from the assessment-supported Fund. The bill also includes provisions that require the Board to develop and publish a strategic plan prior to expending a substantial amount of the funds collected.

**6. Budget Amendment Necessary:** No. The nongeneral fund appropriation may be adjusted administratively to account for the additional revenue.

**7. Fiscal Impact Estimates:** Preliminary. See item 8.

**7a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2018	n/a	n/a	n/a
2019	\$375,000	n/a	NGF
2020	\$375,000	n/a	NGF
2021	\$375,000	n/a	NGF
2022	\$375,000	n/a	NGF
2023	\$375,000	n/a	NGF
2024	\$375,000	n/a	NGF

**7b. Revenue Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2018	n/a	n/a
2019	\$375,000	NGF
2020	\$375,000	NGF
2021	\$375,000	NGF
2022	\$375,000	NGF
2023	\$375,000	NGF

2024

\$375,000

NGF

- 8. Fiscal Implications:** It is anticipated that the bill will have an equal revenue and expenditure impact on the Department of Agriculture and Consumer Services (VDACS). The bill reinstates the collection of a per head cattle assessment, independent of the National Beef Checkoff. The legislation is estimated to generate \$375,000 in revenue to support the Virginia Cattle Industry Fund, based on an estimated 750,000 head of cattle being marketed in Virginia in FY 2017. The revenue will fluctuate annually based on the number of cattle sold.

The original per head cattle assessment was collected by the Virginia Beef Industry Council under a memorandum of understanding with the Virginia Department of Taxation (TAX). Assuming the assessment prescribed in this bill is collected in the same manner, TAX does not anticipate the need for additional funding, as associated costs would be minimal.

The Senate amendments to HB30/SB30 include a nongeneral fund budget amendment of \$750,000 in FY 2019 and FY2020 related to this bill, as it was passed by the Senate.

- 9. Specific Agency or Political Subdivisions Affected:** Department of Agriculture and Consumer Services; Virginia Beef Industry Council; Department of Taxation.

- 10. Technical Amendment Necessary:** No.

- 11. Other Comments:** None.