

HF1130 - 1A - City Adoption of Pesticide Control Authorized

Chief Author: **Brad Tabke**
 Committee: **Agriculture Finance And Policy**
 Date Completed: **3/17/2023 1:58:56 PM**
 Agency: **Agriculture Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact	X	

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Agriculture Fund	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Agriculture Fund	-	1	.5	.5	.5
Total	-	1	.5	.5	.5

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Chloe Burns **Date:** 3/17/2023 1:58:56 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2023	FY2024	FY2025	FY2026	FY2027
Agriculture Fund		-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Agriculture Fund						
Expenditures		-	147	75	75	75
Absorbed Costs		-	(147)	(75)	(75)	(75)
Total		-	-	-	-	-
Biennial Total				-		-
2 - Revenues, Transfers In*						
Agriculture Fund						
Total		-	-	-	-	-
Biennial Total				-		-

Bill Description

This bill amends Minnesota Statute 2018, Section 18B.09 to allow cities to adopt ordinances to restrict the use of pollinator-lethal pesticides with the geographic boundaries of a city. It also allows for cities to include in these ordinances their own licensing, penalty, and enforcement provisions regarding that use restriction.

Assumptions

The Minnesota Department of Agriculture (MDA) assumes that all investigation and enforcement regarding any city ordinance would be the responsibility of that city. The Commissioner of MDA would be responsible for establishing and maintaining a list of pollinator-lethal pesticides, as defined in the bill, on the department's website. The National Pesticide Information Retrieval System (NPIRS) reports that there are approximately 3,660 insecticide, acaricide and insect growth regulator products which would need a label review to determine if they contain the suggested language. Each label review takes approximately 30 minutes. Based on the number of new products each year and those that change labels, MDA estimates that approximately half of the original estimate (1,830) would need to be reviewed each year.

Expenditure and/or Revenue Formula

Expense Calculation	FY24	FY25	FY26	FY27
Agriculture Fund				
FY24 Salary and Fringe (1 FTE \$88,753 salary/\$38,438 fringe)	\$127,191	\$0	\$0	\$0
FY2025-27 Salary and Fringe (0.5 FTE) (1 FTE\$89,095 sal. / \$39,884 fri.)	\$0	\$64,490	\$64,490	\$64,490
Agency Indirect Costs	\$19,867	\$10,073	\$10,073	\$10,073
Total Expenses	\$147,058	\$74,563	\$74,563	\$74,563
Agriculture Fund Costs Agency can Absorb	\$147,058	\$74,563	\$74,563	\$74,563

3,660 products to review X 30 mins each = 1,830 hours to complete the initial review, plus time needed to create a list, check accuracy, and post the list to the department's website.

Projections for FY24 are based on annual salary of \$88,753 and \$38,438 of fringe benefits. Projections for FY25-27 are based on annual salary of \$89,095 and \$39,884 of fringe benefits. FY23 indirect cost rate is 15.62% and was used for the purpose of projecting cost estimates. The indirect rate is calculated annually and may change from year to year.

Long-Term Fiscal Considerations

It is assumed that the Department would absorb the FTE costs. As revenues and expenditures fluctuate, there may be a time when expenditures exceed revenues, and the Department may have to adjust fees.

Local Fiscal Impact

If a city chooses to pass such an ordinance the city will need resources to provide extensive outreach for the citizens and any applicator that conducts pesticide applications in their city as to what products are restricted. There will also be a great deal of follow-up regarding potential improper applications especially if the surrounding cities do not have a similar ordinance.

References/Sources

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