

Preliminary

Fiscal Note

2021-2022 Legislative Session

HF2168 - 0 - Minnesota Grape and Wine Advisory Council

Chief Author: **Barb Haley**
 Committee: **Agriculture Finance and Policy**
 Date Completed:
 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	FY2021	FY2022	FY2023	FY2024	FY2025
Agriculture Fund	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Agriculture Fund	-	-	.5	.5	.5
Total	-	-	.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: Jim Carlson **Date:** 2/22/2022 9:39:33 AM
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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 Dollars in Thousands	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Agriculture Fund	-	-	-	-	-
Total	-	-	-	-	-
Biennial Total			-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Agriculture Fund	-	-	960	960	960
Total	-	-	960	960	960
Biennial Total			960		1,920
2 - Revenues, Transfers In*					
Agriculture Fund	-	-	960	960	960
Total	-	-	960	960	960
Biennial Total			960		1,920

Bill Description

This bill creates the Minnesota grape and wine account in the Agriculture Fund, directs the Dept of Revenue to make monthly deposits into the account based on relevant tax collected, and creates a Minnesota Grape and Wine Advisory Council to advise the Commissioner of Agriculture regarding establishment of the program to provide grants to support Minnesota's grape and wine industry.

Assumptions

The effective dates in this bill have all passed. We assume the effective date will be July 1, 2022.

The revenue amounts projected to be deposited into the new Ag Fund account were provided by Dept of Revenue. Based on those, MDA anticipates needed 0.5 FTE (SPA Intermediate) to administer the grants awarded under this bill.

Expenditure and/or Revenue Formula

Expenditure (Actual Dollars)	Amount	FY 2022	FY 2023	FY 2024	FY 2025
Salary & Fringe:		FTE	FTE	FTE	FTE
SPA Int	90,000	0.00	0.50	0.50	0.50
	FTE	0.00	0.50	0.50	0.50
	Subtotal	0	45,000	45,000	45,000
Information Technology:					
MNIT costs (network, laptop, phone, etc)	3,022	0	3,022	3,022	3,022
	Subtotal	0	3,022	3,022	3,022
Other Operating Costs:					
Training	250	0	250	250	250
Travel	500	0	500	500	500
Space rent (cubicle)	21,830	0	10,915	10,915	10,915
	Subtotal	0	11,665	11,665	11,665
Grants, Aids & Subsidies:					
Grants to industry		0	777,133	777,133	777,133
	Subtotal	0	777,133	777,133	777,133

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*Indirect Costs	14.72%	0	123,180	123,180	123,180
	Subtotal	0	123,180	123,180	123,180
Expenditures	Total	0	960,000	960,000	960,000
*Fiscal note assumes current FY22 rate, subject to change each fiscal year.					
Revenue (Actual Dollars)		FY 2022	FY 2023	FY 2024	FY 2025
Fee Description:	monthly amount	Units	Units	Units	Units
liquor gross receipts	20,000	0	12	12	12
sales tax	60,000	0	12	12	12
	Total	0	960,000	960,000	960,000
Fiscal Tracking (Dollars in Thousands)		FY 2022	FY 2023	FY 2024	FY 2025
Impact:					
Expenditure		0	0	0	0
Revenue		0	960	960	960
Annual Cost (Savings)		0	(960)	(960)	(960)
Cumulative Cost (Savings)		0	(960)	(1,920)	(2,880)

Long-Term Fiscal Considerations

The amount of revenue generated will fluctuate depending on the number of direct shippers and the amount of wine purchased for direct shipment. This will effect the amount of grant dollars awarded.

Local Fiscal Impact

References/Sources

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