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**FISCAL IMPACT STATEMENT**

**LS 7620**

**BILL NUMBER: HB 1310**

**NOTE PREPARED: Jan 6, 2005**

**BILL AMENDED:**

**SUBJECT:** Department of Agriculture.

**FIRST AUTHOR:** Rep. Gutwein

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**  **GENERAL**  
 **DEDICATED**  
**FEDERAL**

**IMPACT:** State

**Summary of Legislation:** The bill establishes the Department of Agriculture. It transfers to the Department the functions of various state agencies relating to agriculture.

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:** *Summary* - The establishment of a state Department of Agriculture and the statutory transfer of various functions and responsibilities to the Department will not necessarily represent a fiscal impact to the state. Any costs that might be incurred from a physical relocation of offices and any expenditures that could be reduced because of operational efficiencies will depend upon administrative actions.

*Background* - Under current statute, the Lieutenant Governor serves as the Commissioner of Agriculture, with the Division of Agriculture administered as part of the Department of Commerce.

This bill establishes a state Department of Agriculture which will be headed by a secretary appointed by the Governor. The bill also establishes the 24-member Board of Agriculture and Rural Issues which will meet at least quarterly. Board members who are not state employees are entitled to salary per diem, which is currently \$50 per day, and both state and nonstate employees who are members are reimbursed for travel and other expenses. Among the duties the Board may undertake are developing and recommending policy and program initiatives to the Secretary; revising the state long-term plans for agriculture and rural development; facilitating cooperation among agencies; and cooperating with agricultural commodity groups and interest groups to promote Indiana's agricultural industry. The Board is to file an annual written report with the Secretary summarizing its performance.

The Department of Agriculture will consist of five statutory divisions: (1) Agricultural Promotion; (2) Agricultural and Rural Development; (3) Agricultural Stewardship; (4) Entomology and Plant Pathology; and (5) Land and Water Conservation.

The Division of Agricultural Promotion will administer the election of State Fair Board members and provide administrative support to the State Fair Board as determined by the Secretary. The division will also provide administrative and staff support for (1) the Indiana Horse Racing Commission [currently an independent commission with members appointed by the Governor], (2) the Indiana Standardbred Advisory Board [currently an independent board with members appointed by the Governor], and (3) the Indiana Corn Marketing Council [currently, a public body corporate and politic, the director of which is the Commissioner of Agriculture]. The division will also administer Indiana dairy development programs and other promotional programs, as well as all state livestock or agricultural marketing grant programs.

The Division of Agricultural and Rural Development will provide administrative and staff support for (1) the Indiana Rural Development Council, (2) the Indiana Land Resources Council, and (3) the Center for Value-Added Research; administer programs involving agricultural and rural Indiana tourism; and administer programs related to the economic development of agricultural and rural Indiana. [These functions and programs are currently supported and administered under the existing Division of Agriculture within the Department of Commerce.]

The Division of Agricultural Stewardship will be responsible for (1) the regulation of confined feeding operations, (2) administration of programs for the approval and inspection of “concentrated animal feeding operations (CAFOs), (3) administration of state programs that provide assistance to CAFOs, and (4) administration of all other regulatory functions relating to agriculture. [Currently, the Indiana Department of Environmental Management (IDEM) has responsibility for the regulation and enforcement of confined feeding operations and CAFOs. IDEM will retain responsibility over enforcement actions.] This division will also incorporate the functions of the State Egg Board, the Creamery License Division, and the Creamery Examining Board [all currently administered by Purdue University]. The division will also incorporate the functions of the Indiana Grain Buyers and Warehouse Licensing Agency, the Indiana Grain Indemnity Corporation, and the Indiana Organic Peer Review Panel [all currently administered by the Division of Agriculture]. The Division of Agricultural Stewardship will also administer the National Poultry Improvement Program [currently administered by the Indiana State Poultry Association].

The Division of Entomology and Plant Pathology will be headed by the State Entomologist, appointed by the Secretary. The division will (1) provide administrative and staff support for programs involving the control of pests and pathogens, (2) regulate nursery dealers, and (3) regulate apiaries and beekeepers. [Currently, the State Entomologist is the director of the Division of Entomology and Plant Pathology within the Indiana Department of Natural Resources (DNR) and is appointed by the director of DNR.]

The Division of Land and Water Conservation will be responsible for (1) providing administrative and staff support for the Soil Conservation Board and (2) administration of programs relating to land and soil conservation, management of Indiana’s forests (except for forests used by public agencies), management of watersheds, and the Clean Water Indiana Program. [These functions are currently administered by the DNR.]

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Commerce; Department of Natural Resources; Department of Environmental Management; Office of the Lieutenant Governor; Purdue University.

**Local Agencies Affected:**

**Information Sources:**

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