

1
 2 INTRODUCED BY Devin Smith **SENATE BILL NO. 275**

3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT INSTITUTING A GRADUATED PLANT NURSERY LICENSING
 5 SCALE BASED ON THE ANNUAL GROSS AMOUNT OF SALES OF NURSERY STOCK; AMENDING SECTION
 6 80-7-106, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE."

7
 8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9
 10 **Section 1.** Section 80-7-106, MCA, is amended to read:

11 **"80-7-106. License required -- application and payment of license fee.** (1) A firm engaging in the
 12 business of selling or distributing nursery stock in this state shall obtain a license for each nursery from the
 13 department.

14 (2) The license must be in the name of the firm seeking the license and expires on December 31
 15 following the date of issue. The applicant shall provide information that the department finds necessary to
 16 carry out the provisions and purposes of this chapter.

17 (3) ~~The license fee is \$95 per nursery.~~

18 ~~(4)(a)~~ A nursery that earns less than \$1,000 in gross annual sales of nursery stock and that
 19 submits a notarized affidavit to that effect to the department is exempt from licensing.

20 (b) A nursery that earns \$1,000 but less than \$5,000 in gross annual sales of nursery stock shall
 21 pay a license fee of \$25.

22 (c) A nursery that earns \$5,000 or more in gross annual sales of nursery stock shall pay a license
 23 fee of \$95.

24 ~~(5)(4)~~ A new applicant or a firm failing to renew a license by January 1 of each year shall pay an
 25 additional nonrefundable application fee of \$25 for each license.

26 ~~(6)(5)~~ An out-of-state firm that imports nursery stock into Montana for resale by a licensed
 27 Montana nursery is not required to obtain a license if the firm is licensed in the state of origin of the nursery
 28 stock and if that state extends a similar exemption to Montana firms.

29 ~~(7)(6)~~ If the department determines that the revenue from the license fee is inadequate to
 30 accomplish the purposes of this chapter, the department may by rule increase the fee."

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for SB0275, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act instituting a graduated plant nursery licensing scale based on the annual gross amount of nursery stock sales.

ASSUMPTIONS:

1. In FY94, a total of 550 nurseries were licensed at \$95 per license and approximately 70 nurseries were exempt due to earning less than \$1,000.
2. The exact number of nurseries that would qualify for the proposed \$25 license can not be determined because the Department of Agriculture does not have financial records from nurseries to determine gross annual sales.
3. Approximately 30 to 60 nurseries may qualify for the \$25 license fee.
4. Approximately 490 to 520 nurseries may pay the \$95 licensing fee.
5. Loss of revenue is likely to range from \$1,725 to \$4,200 annually. The exact amount of revenue loss can not be calculated until licensing year 1996 is completed because the department does not have financial records from nurseries to determine gross annual sales.

FISCAL IMPACT:

Revenues:

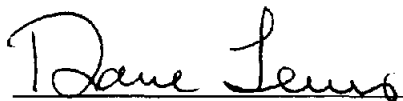
Loss of revenues is estimated to range between \$1,725 and \$4,200 per year. This loss of revenue would not significantly affect revenues or appropriations for the 1997 biennium.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

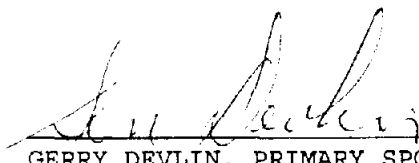
Revenue loss can not be projected until the 1996 licensing year is completed.

TECHNICAL NOTES:

Page 1 line 21, nursery earnings \$1,000 but less than \$5,000 gross annual sales of nursery stock, paying a \$25 license fee should be required to "submit a notarized affidavit that the gross earnings are \$1,000 but less than \$5,000". This provides consistency with existing law.

 2-6-95

DAVID LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

 2-6-95

GERRY DEVLIN, PRIMARY SPONSOR DATE

Fiscal Note for SB0275, as introduced

SB 275

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INTRODUCED BY DEVLIN, S. SMITH

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(2) The license must be in the name of the firm seeking the license and expires on December 31 following the date of issue. The applicant shall provide information that the department finds necessary to carry out the provisions and purposes of this chapter.

(3) ~~The license fee is \$95 per nursery.~~

~~(4)(a)~~ A nursery that earns less than \$1,000 in gross annual sales of nursery stock and that submits a notarized affidavit to that effect to the department is exempt from licensing.

(b) A nursery that earns \$1,000 but less than \$5,000 \$3,000 in gross annual sales of nursery stock AND THAT SUBMITS A NOTARIZED AFFIDAVIT TO THAT EFFECT TO THE DEPARTMENT shall pay a license fee of \$25 \$30.

(c) A nursery that earns \$5,000 \$3,000 or more in gross annual sales of nursery stock shall pay a license fee of \$95.

~~(5)(4)~~ A new applicant or a firm failing to renew a license by January 1 of each year shall pay an additional nonrefundable application fee of \$25 for each license.

~~(6)(5)~~ An out-of-state firm that imports nursery stock into Montana for resale by a licensed Montana nursery is not required to obtain a license if the firm is licensed in the state of origin of the nursery stock and if that state extends a similar exemption to Montana firms.

~~(7)(6)~~ If the department determines that the revenue from the license fee is inadequate to

1 accomplish the purposes of this chapter, the department may by rule increase the fee."

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3 NEW SECTION. **Section 2. Effective date.** [This act] is effective January 1, 1996.

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