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A.B 130—(BDR 50-569)
Makes Various Changes Relating to State Department of Agriculture
3/12/2003

Mr. Chairman, Committee Members—Don Henderson, Acting Director

As the result of 1997 LCB audit findings, the Department of Agriculture has developed a guiding revenue funding policy.

Simply put, this agency funding policy states that the entity benefiting from the service provided by the department should pay for the full-costs of that service. If the public is the primary beneficiary of a department program, then this policy dictates that the general fund should pay for this service. If an individual, business or business sector benefits from a particular service provided by the department, then it follows that this entity should pay for the costs associated with this service.

However, due to the specificity of our enabling statutes, the department has been prevented from charging fees for services rendered to the private individuals or businesses that are not specifically referenced in existing state statutes. Some examples of services that the department has been unable to recover its costs include:

1. Certificate of Free Sale

Industries request the Department of Agriculture to issue a Certificate of Free Sale for a commercial shipment of products to a foreign country. Some countries require this certificate to sell products in their country. This certificate requires annual inspection of the product(s) and preparation of the certificate that accompanies each shipment.

2. Certificate of Veterinary Inspection

Veterinarians in other states use these forms to report the health of livestock shipped into Nevada.

3. Certificate of Origin

Required by some states and foreign countries for shipments of products into a state or country.

4. Field Inspection Reports

Buyers of products request a report of inspections conducted by the Department that exceed phytosanitary requirements.

5. Christmas Tree Inspection

Cut Christmas trees are not defined as nursery stock and are not required to pay a nursery fee. These trees need inspection to prevent the spread of exotic pests (i.e., Sudden Oak Syndrome) into Nevada and pay for the cost of inspection.

The new statutory language proposed in **Section 1** of the bill is designed to provide the Department the authority to charge and collect fees for rendered ancillary services once the public process to establish department regulation has been completed.

Another primary change proposed in AB 130 relates to the new wording found in **Section 3**. This proposed wording permits the expenditure from the Agricultural Registration and Enforcement Account to carry out the provisions of Pesticide Control Operators licensing, inspection of pesticide application equipment, monitoring their applications, and enforcement of the regulations on the pesticides and other materials that can be used for pest control and the methods for there application. The fees collected for licensing pest control operators under NRS 555.310 need be transferred to budget 4545 to provide funding to carry out the enforcement of licensing, inspection and monitoring program. The wording proposed in Section 3 of AB 130 achieves this end.

SECTION 4
Another minor change pertains to NRS 564.080 adding the ability to set and charge a fee for the processing of the recording and continued administration of a surety agreement provisional assignment or lien relating to a brand or brand and mark. The fee will offset the cost of recording and administrating these fillings.

SECTION 5
The last minor amendment pertains to NRS 555.470 depositing fines collected for pesticides violations into the general fund or the board of trustees may enter into an agreement to use the fines collected to administrate an integrated pest management programs in the School district.

Mr. Chairman, I'd be happy to answer any questions concerning AB 130.....