

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 968 - HB 1164**

March 2, 2017

**SUMMARY OF BILL:** Requires the Department of Agriculture (DOA) to calculate industrial hemp and permit fees as other fees and programs administered under the Tennessee Agricultural Regulatory Fund laws.

**ESTIMATED FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumption:

- Under current law, pursuant to Tenn. Code Ann. § 43-26-103(b), DOA is required to promulgate rules concerning industrial hemp production and processing, including rules establishing reasonable fees for licenses or permits to defray the cost of implementing and administering the Industrial Hemp Program.
- This bill does not change that requirement; it adds, however, that all fees shall be set by rule pursuant to the tiered structure established in Tenn. Code Ann. § 43-26-103.
- Each hemp licensee currently has the following annual fees: an application fee of \$250, and an acreage fee of \$2 for each acre intended to be grown. In addition, each grower is inspected at least once each year and may be subject to sampling. The inspection fee is \$35 an hour, and sampling and testing fees are \$175 per sample.
- Total fee collections were \$29,344 in 2015 and \$28,822 in 2016.
- Based on information from DOA, fees for participants in the Industrial Hemp Program will be altered to comply with the provisions of this bill; however, this would be done in a manner that would result in DOA receiving revenue that will be equal to what the DOA is currently receiving from the Program, as the current requirement that the fees be reasonable and sufficient to defray the cost of implementing and administering the Program still applies.
- No change in the overall revenue that will be received by the DOA. Any fiscal impact is estimated to be not significant.

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**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

Handwritten signature of Krista M. Lee in black ink.

Krista M. Lee, Executive Director

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