

Department of Fiscal Services  
Maryland General Assembly

FISCAL NOTE

House Bill 62 (Delegate D. Hughes)  
Environmental Matters

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**Agriculture - Grain Sale Contracts - Discount Rates**

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This emergency bill provides that in contracts for the sale of grain in Maryland, discount rates and test weight rates may not be higher than the prevailing rates on the day the contract is formed. This provision does not apply if the delivery date specified is more than one year after the contract date.

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**Fiscal Summary**

**State Effect:** Potential indeterminate increase in general fund expenditures; potential minimal decrease in special fund expenditures. Revenues would not be affected.

**Local Effect:** None.

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**Fiscal Analysis**

**State Expenditures:** The Maryland Department of Agriculture (MDA) reports that it would need to monitor grain discount rates and contracts, as well as investigate complaints and prepare documentation for the Attorney General's Office. This would require \$6,622 in additional general fund expenditures due to personnel and operating costs. This is based on the assumption of using an experienced person currently being paid out of special funds for these functions (using .15 of that person's hours); a contractual would be hired to replace that person for those .15 special-funded hours.

However, the Department of Fiscal Services (DFS) advises that these costs could possibly be absorbed by existing budgeted resources or alternatively could be significantly higher. MDA has assumed that there would be ten complaints, with three and a half days of preparation time per case. The number of complaints and their complexity could vary widely from year to year. Additionally, hiring a contractual to replace a full-time person for whatever portion

of time necessary would represent a minimal decrease in special fund expenditures.

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**Information Source(s):** Maryland Department of Agriculture, Department of Fiscal Services

**Fiscal Note History:** First Reader - January 25, 1996

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