

## Department of Planning and Budget 2001 Fiscal Impact Statement

**1. Bill Number** SB1164

**House of Origin**    ☐ Introduced    ☐ Substitute    ☒ Engrossed  
**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron**        Hanger

**3. Committee**   Agriculture, Conservation, and Natural Resources

**4. Title**            Regulation of milk and milk products

**5. Summary/Purpose:**

This bill amends certain sections of Chapter 21, Milk, Milk Products and Dairies; Article 3.1, Standards of Quality, Grading, Sanitary Standards, etc., to allow the Board of Agriculture and Consumer Services to: (1) adopt by reference any regulation or model regulation under federal law that pertains to milk, milk products or dairies; (2) adopt by reference any standards or references generally recognized by the milk, milk products and milk production industries; and (3) adopt by reference any method of analysis generally recognized by the milk, milk products, and milk production industries. The bill also allows the Commissioner of Agriculture and Consumer Services to assess a civil penalty of \$100 against the operator, or suspend the permit of any operator of a dairy farm for drug residue violations, but requires that no civil penalty may be assessed for excessive drug residues prior to the operator being offered an informal fact-finding conference. However, amendments to the bill add a provision that a permit may be suspended prior to the fact-finding conference. Additionally, the bill provides an exemption to the Administrative Process Act for certain dairy regulations adopted by the Board.

**6. Fiscal Impact Estimates are:** Preliminary

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2000-01			
2001-02	\$5,000	0.00	GF
2002-03	\$5,000	0.00	GF

6b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2000-01			
2001-02	\$4,500		GF
2002-03	\$4,500		GF

**7. Budget amendment necessary:** No. The expenditure impact of this bill can be absorbed within current agency resources.

**8. Fiscal implications:** Revenues projected were based on estimated 45 animal drug-residue violations per year with a civil penalty of \$100. There were 49 violations in FY 1999-00, 35 during

FY 1998-99 and 60 during FY 1997-98. The estimated costs of preparing for, conducting and documenting fact-finding conferences are \$5,000.

**9. Specific agency or political subdivisions affected:** Virginia Department of Agriculture and Consumer Services

**10. Technical amendment necessary:** No

**11. Other comments:** None

**Date:** 02/05/01

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cc: Secretary of Commerce and Trade

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