

Department of Planning and Budget 2004 Fiscal Impact Statement

1. Bill Number: HB766

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron: Hurt

3. Committee: Agriculture, Chesapeake, and Natural Resources

4. Title: Inspections of food stores

5. Summary/Purpose: The bill provides an exemption from inspection by the Virginia Department of Agriculture and Consumer Services to food establishments that do not prepare or serve food and sell only food and beverages sealed in packaging by the manufacturer.

6. Fiscal impact estimates are: Preliminary. See item 8.

6b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2003-04			
2004-05	(\$120,000)	N/A	nongeneral (0200)
2005-06	(\$120,000)	N/A	nongeneral (0200)
2006-07	(\$120,000)	N/A	nongeneral (0200)
2007-08	(\$120,000)	N/A	nongeneral (0200)
2008-09	(\$120,000)	N/A	nongeneral (0200)
2009-10	(\$120,000)	N/A	nongeneral (0200)

7. Budget amendment necessary: Yes. The appropriation for Item 105 of House Bill 30, the Budget Bill, should be reduced by \$120,000 and one full-time position to reflect the reduction in nongeneral fund revenue as a result of eliminating inspections (and the associated inspection fee) of food establishments that do not prepare or serve food and sell only food and beverages sealed in packaging by the manufacturer.

8. Fiscal implications: Through the collection of inspection fees, as authorized in Chapter 1042, the 2003 Appropriation Act, the Department of Agriculture and Consumer Services has sufficient funding for 29 Food Safety Specialist positions. A reduction in fee revenue of \$120,000 will require that one position remain vacant.

The bill would exempt 2,500 to 3,000 food establishments from inspection by the Department of Agriculture and Consumer Services. The reduction in inspection workload does not significantly alter the resources needed to maintain the food inspection program. There are currently more than 10,600 establishments subject to inspection. The desired level of inspection frequency is an average of two per year, or 21,200 inspections. An additional 10 percent, or 2,120 inspections are needed for noncompliance issues. Therefore, the number of inspections for 10,600 establishments is 23,320.

The agency's approved performance measurement is 600 inspections per year per filled position. Therefore, the 29 Food Safety Specialists currently budgeted in the program should be able to accomplish 17,500 inspections. The bill would reduce the number of establishments requiring inspection by 2,500 to 3,000, resulting in a range of desired inspections per year of 16,720 to 17,820. Therefore, the food inspection program would require 29 to 30 Food Safety Specialists (the current level of staffing), so there will be no expenditure savings associated with implementation of the bill.

- 9. Specific agency or political subdivisions affected:** Department of Agriculture and Consumer Services. Some localities assess permit fees, inspection fees, application fees, risk assessment fees or other similar fees on food establishments, and the bill may impact the local inspection program, if the criteria for the local inspection program is tied to the Commonwealth's food safety inspection program.

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 1/26/04 kbs

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cc: Secretary of Commerce and Trade