

## Department of Planning and Budget 2004 Fiscal Impact Statement

1. **Bill Number:** HB766

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

2. **Patron:** Hurt

3. **Committee:** Passed Both Houses

4. **Title:** Inspections of food stores

5. **Summary/Purpose:** : Exempts retail establishments from inspection by the Department of Agriculture and Consumer Services if they: (i) do not prepare or serve food; (ii) sell only food or beverages that are sealed in packaging by the manufacturer and have been officially inspected in the manufacturing process; (iii) do not sell infant formulas; (iv) do not sell salvaged foods; and (v) certify to the Department that they meet the foregoing provisions. However, nothing in this bill prevents the Department from inspecting a retail establishment if a consumer complaint is received.

6. **Fiscal impact estimates are:** Final. See item 8, below.

**6b. Revenue Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2003-04			
2004-05	(80,000)	N/A	nongeneral (0200)
2005-06	(80,000)	N/A	nongeneral (0200)
2006-07	(80,000)	N/A	nongeneral (0200)
2007-08	(80,000)	N/A	nongeneral (0200)
2008-09	(80,000)	N/A	nongeneral (0200)
2009-10	(80,000)	N/A	nongeneral (0200)

7. **Budget amendment necessary:** Yes. Item 105. See item 8, below. The appropriation for Item 105 of HB/SB 5001, the Budget Bill, should be reduced by \$80,000 to reflect the reduction in nongeneral fund revenue as a result of eliminating certain inspections. This can be done during the 2005 Session.

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 of 30 authorized food safety specialist positions. Currently, 25 positions are filled. A reduction in fee revenue of \$80,000 will require that two additional positions remain vacant.

The bill would exempt 1,500 to 2,000 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 number of annual inspections for 10,600 establishments is 23,320.

The agency's approved performance measurement is 600 inspections per year per filled position. Therefore, the 30 food safety specialists currently budgeted in the program should be able to accomplish 18,000 inspections. The bill would reduce the number of establishments requiring inspection by 1,500 to 2,000, resulting in a range of desired inspections per year of 18,920 (requiring 32 food service specialists) to 20,020 (requiring 34 food service specialists. At a minimum, 29 to 30 food safety specialists (the current level of staffing) are necessary to perform the 18,920 to 20,020 annual inspections required by the bill. 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.

**10. Technical amendment necessary:** No.

**11. Other comments:** None.

**Date:** 3/26/04 tmw

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cc: Secretary of Commerce and Trade