

Department of Planning and Budget 2018 Fiscal Impact Statement

1. Bill Number: HB601

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: Gooditis

3. Committee: Agriculture, Chesapeake, and Natural Resources

4. Title: Agricultural enterprise facilities.

5. Summary: This bill authorizes the Department of Agriculture and Consumer Services (VDACS) to establish agricultural enterprise facilities in rural areas of the Commonwealth, with each facility to include a commercial kitchen, a packaging and labeling facility, and an animal slaughtering facility. The bill directs the department to locate the facilities near small-scale rural agricultural producers and to seek to establish a facility within 50 miles of every agricultural producer in the Commonwealth.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Indeterminate. See item 8.

8. Fiscal Implications: This bill authorizes VDACS to establish agricultural enterprise facilities to the extent public or private funds become available; therefore, it will not have an immediate fiscal impact. However, if facilities are established, the ongoing fiscal impact may be significant. Each facility is required to include a commercial kitchen, packaging and labeling area, and an animal slaughter facility. Agency staff will be required to maintain the facilities and to ensure that the facilities meet federal and state food safety requirements.

Based on the construction costs of the Eastern Shore Farmers' Market and Seafood facility, it is anticipated that the construction of each agricultural enterprise facility may cost in excess of \$5.0 million. The bill specifies that VDACS should seek to establish the facilities within 50 miles of every agricultural producer, which would require multiple facilities throughout the state.

9. Specific Agency or Political Subdivisions Affected: Department of Agriculture and Consumer Services.

10. Technical Amendment Necessary: No.

11. Other Comments: None.