

## Department of Planning and Budget 2011 Fiscal Impact Statement

**1. Bill Number:** HB2048

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

**2. Patron:** Ebbin

**3. Committee:** Agriculture, Chesapeake and Natural Resources

**4. Title:** Packaged ice; fees; penalty.

**5. Summary:** Packaged ice; fees; penalty. Requires any person who establishes, operates, or maintains a packaged ice plant or who sells or offers to sell packaged ice for human consumption to obtain an annual license from the Commissioner of Agriculture and Consumer Services. The measure establishes requirements applicable to the operation of packaged ice plants and ice vending machines. The Department may assess a civil penalty of not more than \$5,000 for any violation of a provision of this chapter. The measure provides that the failure to obtain a required license constitutes a Class 3 misdemeanor.

**6. Budget Amendment Necessary:** Yes, Item 89 of HB 1500.

**7. Fiscal Impact Estimates:** Preliminary estimates for the Virginia Department of Agriculture and Consumer Services are as follows:

**7a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2012	60,556	1	Nongeneral
2013	59,056	1	Nongeneral
2014	59,056	1	Nongeneral
2015	59,056	1	Nongeneral
2016	59,056	1	Nongeneral
2017	59,056	1	Nongeneral

**7b. Revenue Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2012	\$41,580 - \$59,400	Nongeneral
2013	\$41,580 - \$59,400	Nongeneral
2014	\$41,580 - \$59,400	Nongeneral
2015	\$41,580 - \$59,400	Nongeneral
2016	\$41,580 - \$59,400	Nongeneral
2017	\$41,580 - \$59,400	Nongeneral

**8. Fiscal Implications:** The Department of Agriculture and Consumer Services estimates

that the workload required to implement the provisions of the bill will necessitate one additional Administrative and Office Specialist position at an annual personal services cost of \$34,615. The other costs associated with the bill include VITA other overhead expenses, systems modifications to develop and maintain the tracking and billing database, and fiscal services for revenue management. The estimate for other costs is \$22,941 in the first year and \$21,441 in subsequent years.

The department estimates that there are 5,940 retail establishments (including five to 15 ice manufacturers) that would be subject to the requirements for packaged ice and ice vending. At \$10 per registration, the revenue would be \$59,400. However, the department estimates that potentially up to 30 percent of retailers and manufacturers would no longer package or sell ice if subject to the requirements of the bill. In that case, the number of registrations would be 4,158, generating revenue of \$41,580.

Because the department has experienced significant budget reductions, it is not possible for the department to absorb the costs of any shortfall in registration revenue.

The measures of this bill also provide that the failure to obtain a required license constitutes a Class 3 misdemeanor, resulting in fines assessed. Although insufficient data exists to determine the exact fiscal impact due to this proposal, Class 3 misdemeanor outcomes result in fines of up to \$500 that is deposited in the Literary Fund.

**9. Specific Agency or Political Subdivisions Affected:** Virginia Department of Agriculture and Consumer Services, Compensation Board

**10. Technical Amendment Necessary:** No

**11. Other Comments:** None

**Date:** 1/18/2011