

Department of Planning and Budget 2014 Fiscal Impact Statement

1. Bill Number: SB176

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

2. Patron: Black

3. Committee: Agriculture, Conservation and Natural Resources

4. Title: Home-produced or farm-produced products; sale of products by certain farm operations.

5. Summary: This bill allows the sale of food products made from any fruit, grain, herbs, honey, meat, milk, mushrooms, nuts, poultry, seafood, or vegetables by a farm operation employing 10 or fewer people or by a private home, so long as (i) the sale is made directly to consumers and (ii) the product is labeled with the producer's name and address, the product's ingredients, and a disclosure statement indicating the product is not subject to Virginia's food safety laws or regulations.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary, see item 8.

7a. Expenditure Impact: Not applicable.

7b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2014	\$0	N/A
2015	(\$38,280)	Special Revenue (0200)
2016	(\$38,280)	Special Revenue (0200)
2017	(\$38,280)	Special Revenue (0200)
2018	(\$38,280)	Special Revenue (0200)
2019	(\$38,280)	Special Revenue (0200)
2020	(\$38,280)	Special Revenue (0200)

8. Fiscal Implications: In accordance with Item 98 of Chapter 806, 2013 Acts of Assembly, the Department of Agriculture and Consumer Services (VDACS) collects an annual fee of \$40.00 from food establishments subject to inspection. Currently, 957 home/farm based establishments are assessed the fee. The proposed legislation will exempt those establishments from the obligation to pay the fee resulting in a potential nongeneral fund revenue loss of approximately \$38,280 annually.

Since 2006, several statutory changes have eliminated the mandatory inspections of several types of home food products, such as baked goods, candies, jellies, honey, and acidified vegetable products. However, the total number of establishments requiring inspection continues to increase each year. As new establishments requiring inspection will be charged the \$40 fee, the nongeneral fund appropriation for this program does not need to be reduced as a result of this bill. It is likely that the net workload for the agency will remain the same or increase despite this bill, as new establishments continue to open. Currently, there are 25 food safety specialists to address a state-wide inventory of approximately 13,000 food establishments, which equates to about 500 food establishments per specialist.

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

10. Technical Amendment Necessary: No.

11. Other Comments: The Introduced Budget Bill (HB30/SB30) includes general fund support for three additional food safety specialists to incrementally reduce the number of retail food establishments per inspector. The U.S. Food and Drug Administration food inspection standards recommend 150 establishments per inspector.

This bill is identical to HB135.