

Department of Planning and Budget 2015 Fiscal Impact Statement

1. Bill Number: HB1290

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

2. Patron: Bell, Robert B.

3. Committee: Agriculture, Chesapeake and Natural Resources

4. Title: Home food operations; certain exemptions for products.

5. Summary: This bill exempts food products and food made from milk processed or prepared in private homes or farms from Board of Agriculture and Consumer Services regulations, so long as (i) the sale is made directly to end 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 for resale and is processed and prepared without state inspection. The bill also exempts private homes or farms that meet the same conditions from examinations conducted by the State Health Commissioner of establishments in which crustacea, finfish, and shellfish are handled.

6. Budget Amendment Necessary: Yes, Item 94 of HB 1400. A language amendment to exclude home-based food operations from the annual inspection fee is necessary.

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

7a. Expenditure Impact: None.

7b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2015	n/a	n/a
2016	(\$38,480)	0200/NGF
2017	(\$38,480)	0200/NGF
2018	(\$38,480)	0200/NGF
2019	(\$38,480)	0200/NGF
2020	(\$38,480)	0200/NGF
2021	(\$38,480)	0200/NGF

8. Fiscal Implications: In accordance with Item 94 of Chapter 3, 2014 Acts of Assembly, Special Session 1, the Department of Agriculture and Consumer Services collects an annual registration fee of \$40.00 from food establishments that are subject to inspection. In HB 1400, home-based food operations are charged a \$40.00 fee as part of the proposed tiered food inspection program. Currently, at least 962 home kitchen food manufacturers are successfully operating in Virginia with state government oversight and pay the annual fee. The proposed legislation will exempt home and farm establishments from the obligation to

pay the fee resulting in a potential nongeneral fund revenue loss of approximately \$38,480 annually.

The food establishment registration fee is used for costs associated with investigations of consumer complaints and disease reports. The Department of Agriculture and Consumer Services' food safety program will continue to be required to investigate consumer complaints and disease reports concerning exempt establishments, without collecting a fee to offset this cost. The Department of Health does not anticipate any fiscal impact as a result of this legislation.

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

10. Technical Amendment Necessary: No.

11. Other Comments: None.