

Department of Planning and Budget

2015 Fiscal Impact Statement

1. Bill Number: HB1591

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: DeSteph

3. Committee: Agriculture, Chesapeake and Natural Resources

4. Title: Genetically engineered foods; penalty.

5. Summary: The bill defines "genetically engineered"; establishes conditions under which a food must be labeled as "genetically engineered" and must, in some cases, bear additional labeling; and provides that a violation of the section is a Class 3 misdemeanor.

6. Budget Amendment Necessary: Indeterminate.

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

8. Fiscal Implications: The bill adds a definition of “genetically engineered” foods to the Code of Virginia. The intent is to address foods or ingredients of foods that have been genetically engineered through biotechnology and not through traditional means such as cross breeding. The bill requires that foods consisting of or containing “genetically engineered” products must be labeled as containing “genetically engineered” ingredients. Currently, mandatory labeling of genetically engineered foods is not required by the United States Food and Drug Administration, the United States Department of Agriculture, or any other state.

As such, the Department of Agriculture and Consumer Services is unable to determine the fiscal impact of the bill at this time; however, the required monitoring of proper and accurate labeling of genetically-engineered foods may result in additional costs, including an expansion of the food safety inspection program and staff. The legislation also requires that the agency design labels for the food industry to address identify genetically engineered products.

Enforcement of the legislation requires additional resources because the majority of food, meat, and dairy products already on the market fall under the definition of genetically engineered food provided in the bill. Genetically engineered foods are also used as ingredients in other foods (i.e. soy, corn syrup, etc.), meaning that they are already present in thousands of manufactured food products. Because mandatory labeling has not been implemented elsewhere on a national or state level, the department may have difficulty obtaining the knowledge necessary to ensure compliance.

The Department of General Services, Division of Consolidated Laboratories does not have the testing capability to verify whether a food product is genetically engineered or contains genetically engineered ingredients for enforcement of the bill's provisions. There are indeterminate costs associated with developing the methodologies and purchasing the necessary equipment and supplies to perform this testing are substantial. In addition, the laboratory may require additional staff to perform the testing and the technical knowledge for the testing is likely to be difficult to obtain.

The bill provides that any violation of the provisions will result in a Class 3 misdemeanor. Class 3 misdemeanors result in fines up to \$500. At this time, the fiscal impact related to this offense is indeterminate; however, any revenue from these fines will be deposited into the Literary Fund.

- 9. Specific Agency or Political Subdivisions Affected:** Department of Agriculture and Consumer Services, Department of General Services, Division of Consolidated Laboratories.

- 10. Technical Amendment Necessary:** No.

- 11. Other Comments:** None.