

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION
Revision 1

May 23, 2009

TO: Honorable Lois W. Kolkhorst, Chair, House Committee on Public Health

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: SB1329 by Nelson (Relating to food manufacturers, food wholesalers, and warehouse operators required to hold a license.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1329, Committee Report 2nd House, Substituted: an impact of \$0 through the biennium ending August 31, 2011.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

| Fiscal Year | Probable Net Positive/(Negative) Impact to General Revenue Related Funds |
|-------------|--|
| 2010 | \$0 |
| 2011 | \$0 |
| 2012 | \$0 |
| 2013 | \$0 |
| 2014 | \$0 |

All Funds, Five-Year Impact:

| Fiscal Year | Probable Savings/(Cost) from <i>Food & Drug Registration</i> 5024 | Probable Revenue Gain/ (Loss) from <i>Food & Drug Registration</i> 5024 | Change in Number of State Employees from FY 2009 |
|-------------|--|--|---|
| 2010 | \$0 | \$0 | 0.0 |
| 2011 | (\$224,758) | \$427,000 | 3.0 |
| 2012 | (\$286,255) | \$427,000 | 4.0 |
| 2013 | (\$286,735) | \$427,000 | 4.0 |
| 2014 | (\$287,231) | \$427,000 | 4.0 |

Fiscal Analysis

The bill would no longer exempt persons, firms, or corporations that ship raw fruits or vegetables from obtaining a license under Section 431 of the Health and Safety Code. The bill would take effect September 1, 2010.

Methodology

DSHS estimates there would be 1,400 businesses each year starting in fiscal year 2011 that would need to be licensed to ship raw fruits and vegetables. DSHS would set the fee at \$305 per license. DSHS estimates that there will be a gain of \$427,000 in fiscal year 2011 and beyond to the Food and

Drug Registration Account.

DSHS estimates it would require \$224,758 for 3 FTEs in fiscal year 2011 and approximately \$286,255 for 4 FTEs in fiscal year 2012 and beyond to provide inspections to and license the food shippers; these costs include salary, benefits, travel, and other operating costs. It is assumed that collections to the Food and Drug Registration Account will offset all cost for the licensing FTEs and associated operating costs.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 537 State Health Services, Department of

LBB Staff: JOB, CL, PP, BM, MB