

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 9, 2003

TO: Honorable Troy Fraser, Chair, Senate Committee on Business & Commerce

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB381 by Armbrister (Relating to food manufacturer and food wholesaler licensing requirements under the Texas Food, Drug, and Cosmetic Act.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB381, As Introduced: an impact of \$0 through the biennium ending August 31, 2005.

This bill relates to food manufacturer and food wholesaler licensing requirements under the Texas Food, Drug and Cosmetic Act. The bill would provide retail food establishments an exemption from licensure as wholesalers for sales of foods for immediate consumption to government entities and nonprofit organizations. The enactment of the bill would take effect immediately if it receives a vote of two-thirds of all members elected in the House of Representatives and in the Senate. Otherwise, the bill would take effect September 1, 2003.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	\$0
2005	\$0
2006	\$0
2007	\$0
2008	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>FOOD & DRUG REGISTRATION</i> 5024
2004	(\$57,452)
2005	(\$57,452)
2006	(\$57,452)
2007	(\$57,452)
2008	(\$57,452)

Fiscal Analysis

The Department of Health (TDH) assumes that approximately 542 firms that are restaurants would no longer be required to license as food wholesalers for sales of foods for immediate consumption to government entities and nonprofit organizations.

Methodology

According to TDH, the average licensing fee for food manufacturers and wholesalers is \$106. TDH estimates that the agency would lose \$57,452 each fiscal year in funds collected in GR-dedicated account, Food and Drug Registration Account No. 5024, because of the exemption provided in the bill's provisions. (\$106 avg. fee per firm X 542 firms = \$57,452.)

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 501 Department of Health

LBB Staff: JK, JRO, KF, RM