

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**April 29, 2009**

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

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

**IN RE: HB1523** by Alvarado (Relating to a prohibition of foods containing trans fat.), **Committee Report 1st House, Substituted**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill would require a food service establishment to maintain labels for any food or food additive that is required by federal law to have a label affixed and that contains any fat as long as the food is used in the establishment. The labels are to be made available during an inspection by the Department of State Health Services (DSHS) or local health departments.

The bill would prohibit a food service facility from using trans fats to prepare, package, store, serve, distribute, or use in food. The bill exempts packaged food served directly to a consumer in the original sealed package of the manufacturer and food with a nutritional facts label or other documentation from the manufacture that indicates the food has 0.5 grams or less of trans fat. The bill exempts establishments that use trans fats that deep-fry yeast dough or cake batter. The bill exempts food service establishments that are not part of a chain with the same name or operating as a franchised outlet of the same parent company with 15 or more locations in this state. This sub-section would take effect September 1, 2010.

Food service establishments that contract with a manufacturer or distributor to prepare food to be served by a food service establishment without the food's original packaging are exempt from this bill. This exemption expires when the contract between the food establishment and food manufacturer or distributor expires, excluding an extension provided for on or after September 1, 2009 if the contract was executed before September 1, 2009; otherwise, the exemption expires August 31, 2011.

Except as listed above, the bill would take effect September 1, 2009.

It is estimated that DSHS can absorb any cost associated with implementing this bill within existing resources.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 537 State Health Services, Department of

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