

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 10, 2009

TO: Honorable Jane Nelson, Chair, Senate Committee on Health & Human Services

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

IN RE: SB1329 by Nelson (Relating to regulation of certain license holders to control food-borne illnesses.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1329, Committee Report 1st 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	(\$282,397)	\$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 allows the Executive Commissioner of the Health and Human Services Commission by rule to require a food manufacture or food wholesaler to test products specified by HHSC for pathogenic microorganisms or toxins.

The Department of State Health Services must create and maintain a list of reportable food-born pathogenic microorganisms or toxins. The list must include salmonella.

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

Except where noted above the bill would take effect September 1, 2009.

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 \$282,397 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 cost include salary, benefits, travel, and other operating cost. It is assumed 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