

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

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**April 28, 2011**

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

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

**IN RE: HB3387** by Rodriguez, Eddie (Relating to the regulation of food prepared, stored, distributed, or sold at farmers' markets.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3387, As Introduced: an impact of \$0 through the biennium ending August 31, 2013.

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:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2012	\$0
2013	\$0
2014	\$0
2015	\$0
2016	\$0

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Revenue Gain from <i>Food &amp; Drug Fee Acct</i> 341</b>
2012	\$24,000
2013	\$24,000
2014	\$24,000
2015	\$24,000
2016	\$24,000

**Fiscal Analysis**

The bill would allow cooking demonstrations and food samples at farmer's markets if the person preparing the samples does so in a sanitary method. The Department of State Health Services (DSHS) or a local health department may issue a temporary food establishment permit to a person who sells food at a farmers' market held at a single location without a limitation on the number of days it is effective.

The executive commission of the Health and Human Services Commission shall adopt rules on temperature requirements for food prepared, sold, or distributed on-site at a farmers' market. The executive commissioner or a state or local enforcement agency may not mandate a specific method for complying with temperature control and may not require a permit fee for performing a cooking demonstration or providing samples of food if the demonstration is for a bona fide educational

purpose.

### **Methodology**

Currently a temporary food establishment permit is valid for 14 days. DSHS estimates there will be 240 temporary food establishment permits issued each year with a cost of \$100 per permit for a revenue gain of \$24,000 per fiscal year to the General Revenue- Dedicated No. 345 Food and Drug Fee Account. This analysis assumes that any cost to DSHS associated with implementing the bill can be absorbed within existing resources.

### **Local Government Impact**

The fiscal implications of the bill to local government cannot be determined at this time. Local health departments may lose revenue from fewer temporary food establishment permits being issued.

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

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