

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 4, 2011

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

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

**IN RE: SB81** by Nelson (Relating to food manufacturers, food wholesalers, and warehouse operators required to hold a license.), **As Engrossed**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB81, As Engrossed: 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:

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

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>Food &amp; Drug Registration</i> 5024	Probable Revenue Gain from <i>Food &amp; Drug Registration</i> 5024	Change in Number of State Employees from FY 2011
2012	\$0	\$0	0.0
2013	(\$409,792)	\$436,150	4.0
2014	(\$374,819)	\$436,150	4.0
2015	(\$379,286)	\$436,150	4.0
2016	(\$375,795)	\$436,150	4.0

Fiscal Analysis

This bill would amend the Health and Safety Code to allow the Department of State Health Services (DSHS) to license all shippers of raw fruits and vegetables and allow DSHS to license packers and washers of raw fruits and vegetables if they are not at the location of the harvest.

Methodology

The DSHS estimates there are 1,430 producers who will be licensed per year with a two year license. DSHS estimates the cost of the license will be \$305 and that licensing will begin in FY 2013. It is estimated that DSHS will generate \$436,150 in fees annually that will be deposited in Food and Drug Registration Account #5024 (GR-Dedicated).

DSHS estimates that 4.0 FTEs (1 Administrative Assistant II, 2 Sanitarian I, and 1 Sanitarian III) will be needed to license fruit and vegetable shippers. It is estimated that the cost to train and supply the FTEs is \$325,000 in FY 2013 and \$314,000 in each subsequent year. These costs include \$28,000 per year for traveling expenses. It is estimated that equipment to test fruits and vegetables for food-borne illnesses would cost \$84,723 in FY 2013 and approximately \$61,000 in subsequent years. All costs will be expended from the Food and Drug Registration Account #5024.

**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, MB, BM