

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 22, 2025

TO: Honorable Ryan Guillen, Chair, House Committee on Agriculture & Livestock

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB1864 by Johnson (relating to egg grading and the selling of ungraded eggs; requiring an occupational license.), **Committee Report 2nd House, Substituted**

The fiscal implications of the bill cannot be determined because the amount of the license fee that would be set and the number of producers selling ungraded eggs directly to consumers or at wholesale that would be required to obtain a license are unknown.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

The bill would amend the Agriculture Code to allow producers to sell any quantity of ungraded eggs directly to consumers and up to 400 dozen per week at wholesale to restaurants, grocery stores with 25,000 square feet or less of retail space, farmer's cooperative societies under Chapter 51 of the Agriculture Code or cooperative marketing associations under Chapter 52 of the Agriculture Code. Producers who sell at wholesale would be required to hold a license as an ungraded dealer-wholesaler issued by the Texas Department of Agriculture (TDA).

Based on information provided by TDA, it is assumed that any costs associated with the bill could be absorbed using existing resources.

Based on analysis by the Comptroller of Public Accounts, the revenue impact cannot be determined because the amount of the license fee that would be set and the number of producers selling ungraded eggs directly to consumers or at wholesale that would be required to obtain a license are unknown.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 313 Department of Information Resources, 551 Department of Agriculture

LBB Staff: JMc, CMA, MW, RSTE, NPe