

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 256** SLS 17RS 1584

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.: **SB 126**

Date: June 13, 2017 9:59 AM	Author: THOMPSON
Dept./Agy.: Agriculture	Analyst: Tanesha Morgan
Subject: AGRICULTURAL COMMODITIES	

AGRICULTURAL COMMODITIES
Provides relative to produce safety

EN SEE FISC NOTE FF EX

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Proposed law designates the Louisiana Dept. of Agriculture and Forestry as the state agency responsible for representing the state regarding provisions of the FDA Food Safety Modernization Act.

Proposed law authorizes the Louisiana commissioner of agriculture and forestry to adopt rules in accordance with the Administrative Procedure Act (APA) to enforce proposed law and to enforce standards for growing, harvesting, packing, and holding of produce for human consumption and to employ necessary personnel.

EXPENDITURES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						

REVENUES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						

EXPENDITURE EXPLANATION

This bill designates the Louisiana Dept. of Agriculture and Forestry as the state agency responsible for representing the state regarding provisions of the FDA Food Safety Modernization Act. The department will serve as the liaison between the state and federal government and will be the initial recipient of current and future federal funds received for this purpose. The department will either specifically provide or contract with state entities to enforce standards for growing, harvesting, packing, and holding of produce for human consumption.

Presently, the department is already serving in this capacity. In FY 17, a BA-7 in the amount of \$359,664 was approved by JLCB on November 9, 2016, in which the department received a five-year federal grant to cover the cost of this activity. In the FY 18 Executive Budget, there is an adjustment to increase funding to \$759,088 to identify produce farms impacted by this Act and educate them on the standards in the Act. The remaining balance of the federal grant, \$2,506,248, will be distributed to the agency in FY 19, FY 20 and FY 21. The total amount of the grant is \$3,625,000 over a five-year period

(CONTINUED ON PAGE TWO)

REVENUE EXPLANATION

FDA Food Safety Modernization Act is a federally funded initiative. The Louisiana Dept. of Agriculture and Forestry received a federal grant to cover the cost of enforcing the provisions set forth in the Act. The grant expires 6/30/2021. There is no state match requirement associated with the grant award. To enforce standards for growing, harvesting, packing, and holding of produce for human consumption, the Commissioner of Agriculture and Forestry may impose a civil penalty up to \$100 per day to a produce farm found in violation of the standards. Any revenue generated through the imposition of penalties is indeterminable.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

Evan Brasseaux
Staff Director

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CONTINUED EXPLANATION from page one:
(EXPENDITURE EXPLANATION CONTINUED FROM PAGE ONE)

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NOTE: The federal grant for this activity expires 6/30/2021. The bill indicates that expenses for this activity will cease if federal support is no longer available. To the extent that the federal grant is extended, expenses may be incurred in FY 22.

NOTE: There is no state match requirement associated with the grant award in FY 17 or in future fiscal years.

Senate Dual Referral Rules

- 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
- 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House

- 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
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