



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 238** SLS 15RS 177
Bill Text Version: **ORIGINAL**
Opp. Chamb. Action:

Proposed Amd.:
Sub. Bill For.:

Date: May 5, 2015	1:57 PM	Author: LAFLEUR
Dept./Agy.: Health and Hospitals		
Subject: Sale of Raw Milk by Farmer to Consumers		Analyst: Zachary Rau

AGRICULTURAL COMMODITIES OR INCREASE GF EX See Note Page 1 of 1
Provides relative to the sale of raw milk by a farmer to a consumer. (8/1/15)

Proposed law provides standards and practices for the sale of raw milk by a farmer to a consumer.

EXPENDITURES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

REVENUES	2015-16	2016-17	2017-18	2018-19	2019-20	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	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

The proposed legislation will increase state general fund expenditures for the Department of Health and Hospitals (DHH) by an indeterminable amount. DHH will conduct inspections of facilities selling raw milk only to the extent customers request the inspection. Inspections by special operations personnel carry an estimated average cost of \$225 per inspection. The number of inspections that are requested in a given year is indeterminable.

DHH anticipates an increase in expenditures for investigations of illness outbreaks caused by the sale of raw milk. According to information obtained by DHH from the Food and Drug Administration, states allowing the sale of raw milk average 13 related outbreaks of illness annually. DHH estimates the average cost of a single investigation to be \$13,145 based upon 20 hours of laboratory testing at the rate of \$250 per hour (\$5,000), 175 hours of epidemiology-related work at the rate of \$45 per hour (\$7,920), and the \$225 per-inspection cost of a sanitarian. To the extent Louisiana meets the national average of 13 illness outbreaks related to the sale of raw milk, an expenditure increase of approximately \$171,000 would occur. However, based upon data from the Centers for Disease Control (CDC), the 25 states which currently allow raw milk sales in some form averaged approximately 4 related outbreaks over a five year period from 2007 to 2012 with 81 outbreaks total over this period. Based upon this information, costs related to outbreak investigations may be lower than DHH is anticipating.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate

Dual Referral Rules

House

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

☐ 6.8(F)(2) >= \$500,000 Annual Tax or Fee Change {S&H}

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

☐ 6.8(F)(2) >= \$500,000 Rev. Red. to State {H & S}

☐ 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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