

**LEGISLATIVE FISCAL OFFICE
Fiscal Note**



Fiscal Note On: **HB 627** HLS 23RS 1093
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 2, 2023 6:31 PM	Author: KERNER
Dept./Agy.: LSU Agricultural Center	Analyst: Garrett Ordner
Subject: Imported Seafood Safety Fund	

SEAFOOD EG +\$1,875 SD RV See Note Page 1 of 2
 Provides relative to a fee increase for the Imported Seafood Safety Fund

Present law provides that a \$100 imported seafood safety fee shall be collected annually from each holder of a commercial seafood permit who sells imported seafood. Present law provides that monies from the imported seafood safety fee shall be deposited into the Imported Seafood Safety Fund. Present law provides that such monies shall be appropriated to the Louisiana Department of Health (LDH) Office of Public Health for the purpose of sampling, analysis, testing, and monitoring of foreign raw seafood products which are imported into Louisiana. Proposed law increases the fee from \$100 to \$125 and provides that such monies shall be collected by LDH, but that the LSU Agricultural Center shall perform the sampling, analysis, testing, and monitoring of foreign raw seafood products which are imported into Louisiana.

EXPENDITURES	2023-24	2024-25	2025-26	2026-27	2027-28	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						
REVENUES	2023-24	2024-25	2025-26	2026-27	2027-28	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$1,875	\$1,875	\$1,875	\$1,875	\$1,875	\$9,375
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$1,875	\$1,875	\$1,875	\$1,875	\$1,875	\$9,375

EXPENDITURE EXPLANATION

Proposed law shifts responsibility for the sampling, analysis, testing, and monitoring of foreign raw seafood products from LDH to the LSU Agricultural Center ("Ag Center"). To the extent that the Ag Center only conducts as many tests as can be funded through the imported seafood safety fee, no additional general fund will be needed. If the Ag Center conducts testing beyond what this fee revenue can support, additional general fund will likely be needed to implement the proposed law.

The Ag Center estimates its costs will total \$154,075 in FY 24, with costs increasing in subsequent years. However, this estimate is based upon an assumed testing rate of 100 samples per year, which is significantly more than the LDH planned to test. The Ag Center indicates it will need one faculty member to spend 15% of their time and one research assistant to spend 50% of their time sampling, analyzing, testing, and monitoring imported seafood. The Ag Center also indicates it will require funding for travel expenses, supplies, and testing kits. The Ag Center's annual cost estimates are shown in the table below:

	FY 24	FY 25	FY 26	FY 27	FY 28
Faculty (15%)	\$21,850	\$22,724	\$23,633	\$24,578	\$25,561
Research Assistant (50%)	\$42,225	\$43,914	\$45,671	\$47,497	\$49,397
Travel	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Supplies	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Testing Kits	<u>\$70,000</u>	<u>\$70,000</u>	<u>\$70,000</u>	<u>\$70,000</u>	<u>\$70,000</u>
Total	\$154,075	\$156,638	\$159,304	\$162,075	\$164,958

EXPENDITURE EXPLANATION CONTINUED ON PAGE TWO

REVENUE EXPLANATION

Proposed law will increase Statutory Dedications revenues from the imported seafood safety fee. Proposed law increases the fee by \$25. LDH estimates that approximately 75 seafood permit holders sell imported seafood. Therefore, the expected increase in annual fee revenues is \$1,875. However, under the proposed law, monies in the Imported Seafood Safety Fund may only be appropriated to LDH. It is therefore unclear how the LSU Agricultural Center would be able to utilize the funding to conduct the required tests.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux
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CONTINUED EXPLANATION from page one:

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EXPENDITURE EXPLANATION CONTINUED FROM PAGE ONE

The Ag Center notes that these tests will increase the frequency with which its testing equipment is used, which may require additional funding to repair or replace the equipment in future years. The Ag Center reports that given the generality of the language in the proposed law and the fact that it does not have any other initiatives which are similar in scope, cost projections are difficult to make.

LDH reports that its costs will decrease by \$7,304 per year as it will no longer be responsible for performing these tests. This estimate includes the testing of 22 samples and is based upon an assumed cost of \$332 per test and LDH's assumption that it would not perform more tests than its imported seafood safety fee revenue would fund.

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
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