Louisiana Legislative	LEGISLATIVE FISCAL OFFICE Fiscal Note							
Office		Fiscal N	lote On:	HB	627 HLS	23RS	1093	3
Fiscal Office Fiscal Notes		Bill Text Version: ENGROSSED						
		Opp. Chamb. Action:						
		Propose	d Amd.:					
		Sub. E	Bill For.:					
Date: May 2, 2023	6:31 PM		Au	ithor:	KERNER			
Dept./Agy.: LSU Agricultural	Center							
Subject: Imported Seafood Safety Fund			Analyst: Garrett Ordner					
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. <u>Proposed law</u> 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 by LDH.

	2023-24 SEE BELOW	<u>2024-25</u> SEE BELOW	2025-26 SEE BELOW	2026-27 SEE BELOW	2027-28 SEE BELOW	<u>5 -YEAR TOTAL</u>
State Gen. Fd.						
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	<u>2023-24</u>	<u>2024-25</u>	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. <u>However, this</u> 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
<u>Testing Kits</u>	<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>	Dual Referral Rules	House	
13.5.1 >=	\$100,000 Annual Fiscal Cost {S & H}	$6.8(F)(1) >= $ \$100,000 SGF Fiscal Cost {H & S}	Evan Brasseaux
	\$500,000 Annual Tax or Fee Change {S & H}	$6.8(G) \ge $ \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	Evan Brasseaux Interim Deputy Fiscal Officer



# LEGISLATIVE FISCAL OFFICE **Fiscal Note**

Fiscal Note On:

Bill Text Version: ENGROSSED

Author: KERNER

HB

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

#### Date: May 2, 2023 6:31 PM Dept./Agy.: LSU Agricultural Center

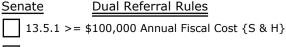
Subject: Imported Seafood Safety Fund

## **CONTINUED EXPLANATION from page one:**

## **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.



Dual Referral Rules

13.5.2 >= \$500,000 Annual Tax or Fee

Change {S & H}

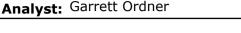
6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

House

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

Evan Brasseaux

Evan Brasseaux Interim Deputy Fiscal Officer



627 HLS 23RS 1093

2 Page 2 of