

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **SB 29** SLS 16RS 132  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> April 12, 2016 3:10 PM	<b>Author:</b> LAFLEUR
<b>Dept./Agy.:</b> Health & Hospitals	<b>Analyst:</b> Zachary Rau
<b>Subject:</b> Raw Milk Sales from a Farmer to a Consumer	

AGRICULTURAL COMMODITIES OR SEE FISC NOTE GF EX Page 1 of 1  
 Provides relative to the sale of raw milk by a farmer to a consumer. (8/1/16)

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

<b>EXPENDITURES</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u><b>\$0</b></u>
<b>Annual Total</b>						
<b>REVENUES</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u><b>\$0</b></u>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**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. 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 a Centers for Disease Control (CDC) study, 81 outbreaks associated with raw milk occurred between 2007 and 2012 in the 26 states which allowed raw milk sales in some form, creating an annual average of approximately 13 outbreaks of illness associated with raw milk sales nationwide (81 outbreaks / 6 years). 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 nationwide average of 13 illness outbreaks related to the sale of raw milk annually, an expenditure increase of approximately \$171,000 would occur. However, based upon data from the same CDC study, the 26 states which allowed raw milk sales in some form between 2007 and 2012 averaged approximately 3 related outbreaks during that period (81 outbreaks from 2007-2012 / 26 states = 3). 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.

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|---|--|--------------|
| <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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