

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2015-16		FY 2016-17	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See below		See below	
CASH FUNDS	See below		See below	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below		See below	

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 558 would create an exemption under the Nebraska Pure Food Act. Under LB 588, private homes where food that is not potentially hazardous is prepared for sale indirectly to consumers through a third-party food establishment would be exempted if the following conditions were met: 1) The operation has registered with the department and complied with food safety requirements; 2) The consumer is informed by a clearly visible placard at the sale location; 3) The operation has no more than \$50,000 in gross annual sales; 4) The operation does not employ more than one full-time equivalent employee, not including a family member or a member of the household; and 5) The owner of the operation and employees have undergone food handler training provided online at the Department of Agriculture’s web site. The department would be required to provide an online training program no later than December 31, 2015.

There is no basis to disagree with the Department of Agriculture estimate that \$2,000 would be required annually to develop and maintain the online training curriculum. Based upon the Pure Food Act funding mix, costs would be split between the General Fund and the Pure Food Cash Fund. The agency notes that .10 FTE of staff time would be devoted to maintaining information regarding the registration of the establishments and the maintenance of the web site. It is estimated that existing staff could carry out this function.

The Department of Agriculture states that it cannot determine how many home-based operations may fall under the exemption created in LB 558. The agency notes that if there were numerous complaints or cases of potential noncompliance, the number of inspections could increase at an increased cost to the agency. However, because the extent of the workload cannot be measured at the present time, it is estimated that the agency could initially operate the program using existing staff.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 558	AM:	AGENCY/POLT. SUB: Nebraska Department of Agriculture	
REVIEWED BY: Cindy Miserez		DATE: 02/20/2015	PHONE: 402-471-4174
COMMENTS: I concur with the Nebraska Department of Agriculture’s statement of fiscal impact for LB558.			

Please complete ALL (5) blanks in the first three lines.

2015

LB⁽¹⁾ 558

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Department of Agriculture

Prepared by: ⁽³⁾ Robert Storant

Date Prepared: ⁽⁴⁾ 02/19/2015

Phone: ⁽⁵⁾ 402-471-6821

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2015-16</u>		<u>FY 2016-17</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>11,395</u>	<u> </u>	<u>10,395</u>	<u> </u>
CASH FUNDS	<u>11,395</u>	<u> </u>	<u>10,395</u>	<u> </u>
FEDERAL FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
OTHER FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>22,790</u>	<u> </u>	<u>20,790</u>	<u> </u>

Explanation of Estimate:

LB 558 would amend the Nebraska Pure Food Act by adding an exclusion to the definition of a food establishment for an operation which sells food indirectly through a third-part food establishment. This would be allowable if:

- 1) They register with the Department and comply with food safety requirements.
- 2) They inform consumers that the food was not prepared in a regulated kitchen.
- 3) They don't gross more than \$50,000 each year in sales.
- 4) They don't employ more than one full-time employee, not including family.
- 5) The owner and employees have undergone food handler training provided online by the department.

The bill would require the Department to make the online training available online no later than December 31, 2015. The fiscal impact includes \$2,000 for the development of the training and .1 FTE to administer the registration process and maintenance of the web-site.

When inspections of food establishments are conducted and it is noted sale of food products from exempt food preparers, the inspection will include compliance with the law, possible contact with the individual and enforcement if determined necessary. To determine compliance with food safety requirements the Department believes some inspections/contacts will need to be performed. Inspections/contacts will also occur when complaints are received. It is undeterminable how many home type of individual operations would desire to be exempted under the bill, but it is estimated there will be 100's of such operations.

The Pure Food Act is funded approximately 50/50 general/cash as reflected in the funding.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2015-16</u>	<u>2016-17</u>
	<u>15-16</u>	<u>16-17</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Staff Assistant I	<u>.1</u>	<u>.1</u>	<u>2,950</u>	<u>2,950</u>
Agriculture Food Sanitarian	<u>.25</u>	<u>.25</u>	<u>9,760</u>	<u>9,760</u>
Benefits.....			<u>5,080</u>	<u>5,080</u>
Operating.....			<u>4,000</u>	<u>2,000</u>
Travel.....			<u>1,000</u>	<u>1,000</u>
Capital outlay.....			<u> </u>	<u> </u>
Aid.....			<u> </u>	<u> </u>
Capital improvements.....			<u> </u>	<u> </u>

TOTAL.....

22,790

20,790