

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2019-20		FY 2020-21	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS			14,400	14,400
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS			14,400	14,400

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

LB 732 would adopt the Mobile Food Unit Act. The act would provide that beginning July 1, 2020, no person would be allowed to operate a mobile food unit without first registering with the Department of Agriculture. A fee not to exceed \$75 would be assessed upon registrations. The Department of Agriculture would be directed to inspect mobile food units not more than twice during the period of registration. All registration funds would be deposited in the Mobile Food Unit Cash Fund. LB 732 would also reduce the Mobile Food Unit fee charged under the Pure Food Act to \$75 annually. The development of program rules and regulations by the agency would be permissive.

The Department of Agriculture estimates that there would be \$31,800 in General Fund expenses develop rules and regulations and operating procedures, and to establish a registry system. It is anticipated that the costs estimated by the agency for staffing expenses would involve the use of existing agency personnel. Because mobile food units are currently registered under the Pure Food Act, it is anticipated that existing registry information could be used to initiate a tracking and registration system under the Mobile Food Unit Act. As a result, many of the initial costs could be carried out using existing resources.

As written, LB 732 creates the Mobile Food Unit Act, but does not remove mobile food units from inspections and fees as established under the Pure Food Act. However, the minimum fee charged to registrants under the Pure Food Act would under that act would be lowered. This provision would slightly lower revenue received in the Pure Food Cash Fund.

As noted by the agency, existing inspection staff would be used to carry out inspections when the program becomes operational in FY20-21. There is no basis to disagree with the agency estimate of program revenue received to the Mobile Food Unit Cash Fund, based upon 192 current registrants. The cash fund would be used to offset regulatory and administrative expenses.

Under LB 732, cities, counties and other local governments would be prohibited from imposing more stringent requirements upon mobile food unit operators, charging a fee greater than authorized under state law, establishing different registration expiration dates, or requiring additional permits or fees to operate a mobile food unit. There may be a fiscal impact to an individual political subdivision if it has established fees or fee levels that would be in violation of LB 732.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 732	AM:	AGENCY/POLT. SUB: Nebraska Department of Agriculture	
REVIEWED BY: Claire Oglesby	DATE: 03/04/19	PHONE: (402) 471-4174	
COMMENTS: Department of Agriculture's statement appears reasonable based on the assumptions provided.			

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

2019

LB⁽¹⁾ 732

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Agriculture

Prepared by: ⁽³⁾ Christina Barber Date Prepared: ⁽⁴⁾ 2/28/19 Phone: ⁽⁵⁾ 402-471-6821

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$31,800		\$14,600	
CASH FUNDS			\$14,400	\$14,400
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>\$31,800</u>	<u>0</u>	<u>\$29,000</u>	<u>\$14,400</u>

Explanation of Estimate:

The Department will create the Mobile Food Unit Cash Fund. The Department estimates a .15 FTE Attorney for half of the first fiscal year for drafting regulations and procedures for adequate proof of registration. The Attorney will also participate in hearings in the second year. The Department anticipates startup costs to begin at the end of the first fiscal year and general funds will be needed to support the startup costs. There will be minimal impact on our inspector workload because they already complete these mobile food unit inspections as they are performing their regular inspections. The Department anticipates the need for a Staff Assistant to maintain the registry system and perform clerical duties.

This bill requires that mobile food units not be inspected more than twice a year except when an inspection shows two critical violations, therefore, the department would need to keep track of when Department inspectors, as well as local health department inspectors, have inspected the mobile food units. The Department would also need to make available to the local health departments the results of the inspections that were conducted in all of the other cities or counties in which mobile food units are operating. NDA would need to create an electronic system to register and track the inspections of these mobile food units.

Revenue is based on 192 currently registered units at \$75 for the application and renewal fee and potentially up to \$40 for an additional inspection fee for each registration going to the new fund. NDA already collects a permit fee and an inspection fee under the Pure Food Act. Operators of these mobile food units would have to pay the additional fees set out in LB 732 to NDA (which would go into the Mobile Food Unit Cash Fund) on top of the current fees due under the Pure Food Act. Also of note, LB 732 lowers the ceiling of the fees for the Pure Food cash fund potentially resulting in a loss of revenue for that fund.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Attorney	0.073	0.15	\$6,200	\$12,700
Staff Assistant	0.05	0.1	\$1,600	\$3,200
Benefits.....			\$4,000	\$8,100
Operating.....			\$20,000	\$5,000
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			<u>\$31,800</u>	<u>\$29,000</u>