

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4380-04  
Bill No.: HCS for SS for SB 525  
Subject: Health, Public; Health Department  
Type: Original  
Date: April 9, 2014

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Bill Summary: This proposal modifies provisions relating to food preparation and production.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Columbia/Boone County Department of Public Health and Human Services (PHHS)** stated the proposal would result in lost revenue to the PHHS. PHHS requires Temporary Food Permits be issued for food events such as those described in the proposal. In 2013, PHHS issued approximately 121 such permits at a cost of \$30 per permit. If this proposal passes, it is estimated that at least half of those events would not require permits, thereby resulting in a loss of at least \$1,950 (60 permits X \$30/permit) in revenue. This would be an annual loss in revenue.

In response to an earlier version of this proposal, officials from the **Cass County Health Department** stated they do not require a paid permit for not-for-profits. However, the potential cost associated with this proposal would average between \$4,000 and \$100,000 per outbreak of foodborne illness. These costs would include staff hours for epidemiologists, health inspectors, laboratory testing, and additional staff for area jurisdictions to assist based on the sized of the outbreak.

In response to similar legislation from the current session (HB 1100), officials from the **Randolph County Health Department (RCHD)** anticipated at least one food borne illness each year due to no regulation on food produced at home but sold at charitable events. There are a number of charitable events held each year in the county and the RCHD currently regulates foods sold to the public. One outbreak per year may be a conservative estimate since there would be no oversight on home facilities to determine if there is adequate refrigeration, if preparation areas are sanitized prior to food contact and whether personnel have any training in food preparation. Food is potentially hazardous if not handled correctly.

In January 2005, the RCHD investigated a food borne disease. The investigation involved three (3) health department personnel for three days each and two days for write-up and follow-up on the occurrence. The total staff time involved equated to 88 hours. Based on an average wage (including benefits) of approximately \$30 an hour, it has been determined that this single outbreak cost approximately \$2,640. Costs could be higher if the charitable event sells food to people from different communities or counties. The particular outbreak discussed was confined to members of an event that were listed by the management and contact information was readily available, thereby, reducing the amount of time required for the investigation and follow-up.

ASSUMPTION (continued)

**Oversight** assumes, for fiscal note purposes, the potential costs associated with outbreaks of foodborne illnesses for any particular county to be speculative. **Oversight** further assumes the potential loss in permit revenues that would be lost due to this proposal to be absorbable by the cities and counties that currently require not-for-profits to obtain permits.

In response to an earlier version of this proposal, officials from the **City of O'Fallon** stated the proposal would have no fiscal impact on their organization. However, they would have to advertise this to non-profit organizations so everyone would be aware of the new law.

Officials from the **Joint Committee on Administrative Rules (JCAR)** state the legislation is not anticipated to cause a fiscal impact to JCAR beyond its current appropriation.

Officials from the **Department of Health and Senior Services, St. Louis County**, and the **City of Jefferson City** each assume the proposal would not fiscally impact their respective agencies.

In response to the previous version of this proposal, officials from the **City of Kansas City** assumed the proposal would not fiscally impact their agency.

Officials from the **Office of Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes this is a small amount and does not expect that additional funding would be required to meet these costs. However, it is also recognized that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain within its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Officials from the following **health departments**: Audrain County Health Unit, Harrison County Health Department, Henry County Health Center, Jefferson County Health Department, Linn County Health Department, Madison County Health Department, McDonald County Health Department, Miller County Health Center, Morgan County Health Center, Nodaway County Health Center, Platte County Health Department, Reynolds County Health Center, Ripley County Health Center, Shelby County Health Department, St Francois County Health Center and the Tri-County Health Department did not respond to **Oversight's** request for fiscal impact.

ASSUMPTION (continued)

Officials from the following **cities**: Ashland, Belton, Bernie, Bonne Terre, Boonville, California, Cape Girardeau, Clayton, Dardenne Prairie, Excelsior Springs, Florissant, Frontenac, Fulton, Gladstone, Grandview, Harrisonville, Independence, Joplin, Kearney, Knob Noster, Ladue, Lake Ozark, Lebanon, Lee Summit, Liberty, Louisiana, Maryland Heights, Maryville, Mexico, Monett, Neosho, Pacific, Peculiar, Popular Bluff, Raytown, Republic, Richmond, Rolla, Sedalia, Springfield, St. Charles, St. Joseph, St. Louis, St. Robert, Sugar Creek, Sullivan, Warrensburg, Warrenton, Webb City, Weldon Spring and West Plains did not respond to **Oversight's** request for statement of fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal may result in minimal savings to small business charities if local public health departments currently require them to purchase permits to serve homemade goods at fundraising events.

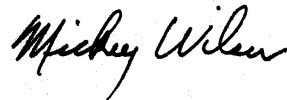
FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Health and Senior Services  
Joint Commission on Administrative Rules  
Office of Secretary of State  
Columbia/Boone County Department of Public  
Health and Human Services  
Cass County Health Department  
Henry County Health Center  
Randolph County Health Department  
St. Louis County  
City of O' Fallon  
City of Jefferson City  
City of Kansas City



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April 9, 2014

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