

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 1236

PRINTER NO. 1678

AMOUNT

No Fiscal Impact

FUND

General Fund

DATE INTRODUCED

May 18, 2022

PRIME SPONSOR

Senator Vogel

DESCRIPTION

Senate Bill 1236 amends Title 3 (Agriculture), Chapter 101 (Very Small Meat Processor Federal Inspection Reimbursement Grant Program) to provide grant awards for the reimbursement of costs to support the expansion of current or future small meat and poultry processing operations and to change the name of the program from the "Very Small Meat Processor Federal Inspection Reimbursement Grant Program" to the "Very Small Meat and Poultry Processor Reimbursement Grant Program."

The legislation provides for grant awards to reimburse costs related to: (1) a grant of inspection from the USDA Food Safety and Inspection Service; (2) opening a new very small meat and poultry processing operation; and (3) expanding the capacity of a very small meat and poultry processing operation. Language contained in current law that allows for grants only to cover the costs of federal inspection and certification of very small meat processor operations is removed.

The legislation specifies that eligible reimbursable costs shall include: (1) consulting or other technical support services that directly support the development and maintenance of programs required to operate under a grant of inspection; (2) professional employee training and educational services and programs that support the development and maintenance of programs to operate under a grant of inspection; (3) up to 85% of the actual costs of the purchase of meat or poultry slaughter or processing equipment or supplies; and (4) the purchase of equipment or supplies directly related to employee safety.

The legislation provides for specific grant application evaluation criteria. It includes requirements for applicants' final reimbursement to include documentation of expenditures and costs approved in the grant, documentation of the completion of the project and a report describing the project's ability to provide expansion of meat or poultry processing capability, expanded services to livestock and poultry producers, and an increase in availability of meat and poultry products to consumers.

The legislation is scheduled to take effect immediately.

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The enactment of Senate Bill 1236 will have no fiscal impact on Commonwealth funds. The amount of funding allocated under the Very Small Meat and Poultry Processor Reimbursement Grant Program will be dependent on appropriations made by the General Assembly.

For information purposes, \$500,000 was included in the appropriation for Agricultural Business and Workforce Development under the Department of Agriculture (department) in fiscal years 2019-20, 2020-21, and 2021-22 for the grant program. The department awarded grants under the program in fiscal year 2019-20; however, no funds have been awarded under the program in fiscal years 2020-21 and 2021-22.