

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1807 - SB 2231

February 20, 2018

SUMMARY OF BILL: Authorizes the Department of Agriculture (DOA) to cooperate with the United States Food and Drug Administration (FDA) under the standards for growing, harvesting, packing, and holding of produce for human consumption.

ESTIMATED FISCAL IMPACT:

**Increase Federal Expenditures – \$732,000/FY18-19
\$769,300/FY19-20
\$832,200/FY20-21
\$832,200/FY21-22**

Other Fiscal Impact – Potential increases in federal expenditures in FY22-23 and subsequent years. The exact amount of any such increases, if any, is unknown but reasonably estimated to exceed \$832,200 per year.

The Governor’s recommended budget for FY18-19, on page B-309, recognizes \$732,000 in federal revenue as part of the total revenue funding amount of \$3,294,100 for consumer and industry services.

Assumptions:

- The proposed legislation authorizes the DOA to enter into a cooperative agreement with the FDA for the purposes of implementing the provisions of the Standards for the Growing, Harvesting, Packing, and Holding of Produce for Human Consumption compiled in 21 C.F.R. Part 112.
- The DOA will make inspections and promulgate rules in relation to the implementation of the standards.
- Upon entering into the cooperative agreement, the DOA will receive federal funds for personnel relative to inspections and enforcement. The proposed legislation will increase federal expenditures. Any increase in state expenditures associated with implementation of the standards will be not significant.
- The DOA is receiving an initial five-year award from the FDA, including funding already received in FY17-18, but only has estimated funding amounts through FY20-21. Funding in FY18-19 through FY21-22 is contingent upon passage of this legislation.

- The estimated increase in federal expenditures is \$732,014 in FY18-19, \$769,330 in FY19-20, and \$832,164 in FY20-21. For purposes of this fiscal note, it is assumed that the increase in FY21-22 will be the same as FY20-21, \$832,164. It is unknown whether FDA awards, or the amount of any such award, will be available in FY22-23 and subsequent years.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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