



HOUSE COMMITTEE ON APPROPRIATIONS

2009-10 Legislative Session

FISCAL NOTE

HOUSE BILL: 174

PRINTER'S NO: 4473

PRIME SPONSOR: Carroll

| FISCAL IMPACT SUMMARY | FY 2010/11 | FY 2011/12 |
|---|------------|--------------|
| Expenditure Increase/(Decrease): | | |
| General Fund | \$0 | See Analysis |

OVERVIEW:

House Bill 174 consolidates various food- safety- related laws under Title 3 Agriculture with technical clarifications and federal compliance. The bill repeals the following:

- The Public Eating and Drinking Place Law, because the material is supplied by 3 Pa.C.S. Chapter 57, Subchapter A.
- The Food Act because the material is supplied by 3 Pa.C.S. Chapter 57, Subchapter B.
- Section 602-A (16) of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, because the fees are under 3 Pa.C.S. Chapter 57, Subchapter A.

Section 6504(a), relative to the frequency of onsite presence of a certified food handler, will take effect when regulations are promulgated, or in two years, whichever occurs first. The remainder of the act takes effect in 60 days.

ANALYSIS:

This bill codifies current law and authorizes the Department of Agriculture (PDA) to establish regulations for using risk-based factors established by the Food and Drug Administration (FDA) relating to the interval between license renewals. The bill proposes two new PDA fees related to re-inspections.

1. Inspection (2nd follow-up) \$150
2. Inspection (3rd or more): \$300

PDA conducts about 40,000 retail food facility inspections per year. On average, 6% require a first re-inspection or 2,400 facilities. Of those, historical data shows 50% require a second re-inspection or 1,200 facilities. The introduction of re-inspection fees will provide an incentive to retail food facilities to do a better job of compliance with this act. Therefore, assuming that 50% of the historical data will require re-inspection, the estimated new revenue is \$180,000. This assumes 600 facilities require a 2nd and that 300 of those facilities will need a 3rd re-inspection.

The fee change was a recommendation of the Auditor General that came as a result of a 2005 audit of PDA's food inspection records. Local political subdivisions continue to operate food facility license programs and adopt fees at their discretion by local ordinance.

The bill removes a PDA issued a certification fee to food handlers who are already certified under an approved training program. This PDA duplicate certification was for five years and had a \$20 fee. The removal of this fee will result in estimated loss of \$180,000 in revenue.

PDA's food safety costs for 2009-10 are budgeted at \$9.5 million. The related PDA fee revenue is \$2.3 million which represents 24% of costs. The 2010-11 food safety costs are estimated at \$10.5 million. The related fee revenue, including the proposed re-inspection fees, is estimated at \$2.3 million or 23% of costs.

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House Appropriations Committee, (D)

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