

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

No. 1
Bill Version: CSSB 271 (FIN)
(S) Publish Date: 4-10-00

Revision Date/Time (Note if correction) _____ Dept. Affected Environmental Conservation
Title Fees for DEC Food Inspections BRU Environmental Health
Component Food Safety and Sanitation
Sponsor Senator Taylor
Requester Senate Finance Component No. 2343

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel	3.3	0.0	0.0	0.0	0.0	0.0
Contractual	0.5	0.0	0.0	0.0	0.0	0.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	3.8	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	(46.1)	(46.1)	(46.1)	(46.1)	(46.1)	(46.1)

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	49.9	46.1	46.1	46.1	46.1	46.1
1005 GF/Program Receipts	(46.1)	(46.1)	(46.1)	(46.1)	(46.1)	(46.1)
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	3.8	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time	0	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

This bill exempts certain types of mobile food units from inspections, sets fees for non-profits at 50% of the usual fee, and exempts from inspection fees any food establishment that shares a kitchen with another. These changes in the fee exemptions would result in a net revenue loss of \$46.1.

The small increment is to fund travel and public notice costs for one year for the newly established Food Safety Advisory Group.

Additional detail is attached.

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Approved by Commissioner [Signature] Date 4-7-00
Agency Department of Environmental Conservation

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Analysis of SB 271 (FIN) Fiscal Note

Section 1 of the bill exempts certain types of mobile food units from routine inspections. We estimate there are 58 facilities such as espresso carts that will be exempted. This will result in a loss of approximately (\$3.7) in program receipts.

Section 2 subsection 1 sets the annual fee for all 501(c) organizations at 50% of the fee level for other similar food establishments.

There are 194 501(c)(3) organizations that are currently exempted in the department's regulations from paying a fee although they are permitted and may be inspected. The total fees that would be charged to this group would equal \$78.5, thus 50% of that would be an increase in program receipts of \$39.3.

There are 105 nonprofit establishments organized under other sections of Section 501 of the IRS Code. They current pay a total of \$36.6. 50% of that amount would result in a loss of program receipts of (\$18.3).

The net result of this subsection is \$21.0 in increased program receipts.

Subsection 2 exempts from inspection fees any food establishment that may share a kitchen with another. Although presented as a way to exclude a restaurant with a bar from two inspection fees, this subsection goes much further. It will exempt from inspection fees most caterers, all those food establishments that are owned and operated separately but share a common kitchen to produce a food product, such as candies, and other types of food establishments that share food production areas at different times to undertake very different activities. There are an estimated 600 facilities that will no longer pay an inspection fee under this language, even though they may not have any association with the owner of the "kitchen" they use. The loss in program receipts with this subsection is estimated to be (\$63.4).

Section 3. Food Safety Advisory Group. As written, the Advisory Group does not qualify for the funding available for such activities from the U.S. Food and Drug Administration. Thus, state general funds will be needed as follows:

Public Notices to meet requirements of Open Meetings Act (5 notices)	\$ 500
Estimated travel, per diem and lodging expenses for advisory group members;	
Five, two-day meetings	\$3,300
Total	\$3,800



**Summary
SB 271(FIN)**

Revenue loss:	Mobile Units	(\$ 3.7)	
	Non-profits	(\$ 18.3)	
	Shared kitchens	(\$ 63.4)	
Total loss		(\$ 85.4)	
Revenue Increase	Charitables	\$39.3	
Total loss program receipts		(\$46.1)	Switched to general funds to avoid inspector layoff
Increase funding for one year for Advisory Board: \$3.8 GF			