

Fiscal Estimate Narratives

DATCP 12/4/2009

LRB Number	09-3834/1	Introduction Number	SB-419	Estimate Type	Original
Description Requiring the Department of Agriculture, Trade and Consumer Protection to establish standards for products sold as honey, prohibiting the labeling as Wisconsin certified honey of a product that has not been determined to meet the standards, prohibiting the labeling as honey of a product that does not meet the standards, and requiring the exercise of rule-making authority					

Assumptions Used in Arriving at Fiscal Estimate

This bill requires the department to establish standards for products sold as honey. Those standards must be consistent with the standard under the UN Food and Agriculture Organization Codex Alimentarius. The bill also requires the department to establish standards for private laboratories to follow in testing honey.

The bill prohibits the labeling of a product as "Wisconsin certified honey" unless it meets the standards above, was produced in this state, and unless a summary of the laboratory test is submitted to the department. The bill requires the department to investigate violations of the Wisconsin certified honey labeling requirements.

Finally, the bill also prohibits the labeling of a product as "honey" unless it meets the standards above. The bill authorizes individuals who suffer damages to bring an action against the violator.

Under the bill, the department would be required to perform three tasks:

1. Promulgate rules establishing honey standards and laboratory testing standards,
2. Receive and approve applications to label products as "Wisconsin certified honey," and
3. Investigate and take legal action against violators of the "Wisconsin certified honey" provisions of the bill. (The department would also be able to investigate mislabeling of products as "honey" under its general investigatory powers.)

The department expects rule-making under this bill to be relatively simple and that rule-making costs may be able to be absorbed by the department.

The department estimates that fewer than 100 applications per year would be made to label products as "Wisconsin certified honey." The department anticipates covering the costs of processing such registrations through fee set in rule, in a manner similar to the Something Special from Wisconsin labeling program. This estimate assumes that the department would not make any additional efforts to market or promote the "Wisconsin certified honey" label.

Based on a similar law in Florida, the department estimates that it would investigate up to six cases per year concerning the mislabeling of honey. In general, an investigation requires 100 hours of staff time. Six investigations would therefore require 0.3 FTE positions. Each investigation would also incur approximately \$500 in laboratory and materials costs. Annual costs for six investigations would be approximately \$24,000. The department may be able to absorb up to this level of additional costs.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
	State Operations - Salaries and Fringes	\$17,000	\$
	(FTE Position Changes)	(0.3 FTE)	
	State Operations - Other Costs	7,000	
	Local Assistance		
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$24,000	\$
B. State Costs by Source of Funds			
	GPR	24,000	
	FED		
	PRO/PRS		
	SEG/SEG-S		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
		Increased Rev	Decreased Rev
	GPR Taxes	\$	\$
	GPR Earned		
	FED		
	PRO/PRS		
	SEG/SEG-S		
	TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT			
		State	Local
	NET CHANGE IN COSTS	\$24,000	\$
	NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		Authorized Signature	Date
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