

Fiscal Estimate - 2009 Session

Original Updated Corrected Supplemental

LRB Number 09-3961/1	Introduction Number AB-0628	
Description The sale of unpasteurized milk, buttermilk, butter, and cream		
Fiscal Effect		
State:		
<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate		
<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues	
<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
<input type="checkbox"/> Decrease Costs		
Local:		
<input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected		
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS S. 20.115(1)(a) and (1)(gb)		
Affected Ch. 20 Appropriations		
Agency/Prepared By	Authorized Signature	Date
DATCP/ Michelle Wachter (608) 224-4703	Bill Walker (608) 224-4353	1/13/2010

Fiscal Estimate Narratives
DATCP 1/13/2010

LRB Number	09-3961/1	Introduction Number	AB-0628	Estimate Type	Original
Description The sale of unpasteurized milk, buttermilk, butter, and cream					

Assumptions Used in Arriving at Fiscal Estimate

This bill authorizes a dairy farmer with a grade A dairy farm permit to sell unpasteurized milk, buttermilk, butter, and cream directly to consumers on the farm if the dairy farmer obtains a raw milk permit from the Department of Agriculture, Trade and Consumer Protection, the container is prepared and filled in a sanitary manner, and the dairy farmer displays a sign indicating that raw milk does not provide the protection of pasteurization. The bill also provides that a dairy farmer is not liable for selling a product as authorized by the bill, except in cases of willful or wanton acts or omissions.

It is impossible to project how many grade A producers would request a permit under the bill. For this estimate under the bill as written, it is assumed that between 1 and 11,000 grade A milk producers will request a permit. Under the bill, each request must be processed and a permit issued to the requester. The department may not specify additional requirements for a permit under the bill.

Issuing and tracking permits under the bill would require an addition to the department's licensing system. Initial IT cost for development and processing of these permits is estimated at \$37,640 for department IT staff. Further costs incurred by the Division of Food Safety for process development, creating business rules and testing the process are estimated at \$15,000.

Administrative costs for receiving requests for permits, processing these requests and printing and mailing the permits is estimated to range from \$7 for one permit to \$77,000 for 11,000 permits, per year. The worksheet attached to this estimate assumes a modest response of 500 farms, or \$3,500 per year.

Because the bill as written is limited in scope, these estimates do not include other potential costs to the department or other agencies related to increased sales of raw milk. These include, but are not limited to, additional inspection time at farms with raw milk permits, investigations related to raw milk and raw milk product sales, epidemiological investigations of outbreaks of food borne illness traced to raw milk and raw milk products, additional sampling of raw milk products and management of the permit database.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

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Description The sale of unpasteurized milk, buttermilk, butter, and cream			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
Issuing and tracking permits under the bill would require an addition to the department's licensing system. Initial IT cost for development and processing of these permits is estimated at \$37,640 for department IT staff. Further costs incurred by the Division of Food Safety for process development, creating business rules and testing the process are estimated at \$15,000. Total One-Time Costs = \$52,640			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
	State Operations - Salaries and Fringes	\$3,500	\$
	(FTE Position Changes)		
	State Operations - Other Costs		
	Local Assistance		
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$3,500	\$
B. State Costs by Source of Funds			
	GPR	3,500	
	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	\$3,500	\$
	NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		Authorized Signature	Date
DATCP/ Michelle Wachter (608) 224-4703		Bill Walker (608) 224-4353	1/13/2010