FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No.: _____ Amendment to: Eng. HB 1290

Requested by Legislative Council Date of Request: 2-17-99

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts. Please provide breakdowns, if appropriate, showing salaries and wages, operating expenses, equipment, or other details to assist in the budget process. In a word processing format, add lines or space as needed or attach a supplemental sheet to adequately address the fiscal impact of the measure.

   Narrative: This bill creates a state meat inspection service to examine and inspect meat products prepared solely for intrastate slaughter, meat canning, salting, packing, or similar establishment. The Commissioner of Agriculture will appoint inspectors that will be present during the slaughter of animals and in the preparation of food products.

   The Federal Government pays for 50% of the cost of the program if program adopts Title 9 as a minimum standard. State funds would be required for the balance of the funds. The engrossed legislation would allow the use of user funds to fund its share of the 50% match. However, provisions of the Federal law applicable to meat inspections prohibit the use of user fees if used to match federal dollars. * (See attachment) Federal law does allow for states to charge for licensing fees not exceeding $100/ plant per year. This fiscal note assumes 20 plants inspected during the first biennium. This level of funds will not support an inspection program.

2. **State** fiscal effect in dollar amounts:

	1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
	General Fund	**Other Funds**	**General Fund**	**Other Funds**	**General Fund**	**Other Funds**
Revenues	0	0	0	$8,000	0	0
Expenditures	0	0	0	$8,000	0	0

3. What, if any, is the effect of this measure on the budget for your agency or department:

   a. For rest of 1997-99 biennium: 0

   b. For the 1999-2001 biennium: $239,000 (0)

   c. For the 2001-03 biennium: 0

4. **County, city, and school district** fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	**Cities**	**School Districts**	**Counties**	**Cities**	**School Districts**	**Counties**	**Cities**	**School Districts**
0	0	0	0	0	0	0	0	0

Signed: _____

Typed Name: Jeff Welsprenning

Department: Agriculture

Phone Number: 328-2231

Date Prepared: 1-19-99

FEB 15 1995

Dr. Janice Webb
Environmental Administrator
FL Dept of Agriculture
& Consumer Services
3125 Conner Blvd., Adm. Bldg.
Suite 281
Tallahassee, FL 32399-1650

Dear Dr. Webb:

This is in response to your recent inquiry concerning the Department of Agricultures's position on the imposition by the State of Florida of user fees for recovering the costs of State meat and poultry inspection.

We understand that proposals for the enactment of user-fee legislation are being considered in Florida. As you know, the Federal Meat Inspection Act (FMIA) and the Poultry Products Inspection Act (PPIA) provide for the establishment and effective enforcement of State inspection programs that are "at least equal" to the programs operated by the Federal Government under the FMIA and PPIA. Any State not having and enforcing an "at least equal" program is required to be designated by the Secretary of Agriculture and, 30 days after the publication of the designation, the requirements of the FMIA and PPIA become applicable to wholly intrastate operations in the State (21 U.S.C. 454, 661).

The provisions of Federal law applicable to meat and poultry provide that the cost of inspection under the FMIA and PPIA shall be borne by the United States except for overtime and holiday work (21 U.S.C. 466, 469, 680, 695). Also, the legislative history of the FMIA and PPIA clearly shows the intent of Congress that Federal and State programs under these acts are not to be financed by direct or indirect user fees or taxes. Both the FMIA and the PPIA intend that the Federal share of funds used to finance the programs shall come from appropriations out of general revenue funds. The States must also provide for the cost of their share through appropriations out of general revenue funds, although it was not the intent "to preclude cooperation with State programs having as part thereof a licensing system where there is imposed a nominal license fee, e.g., not exceeding $100." (See Congressional Record, December 6, 1967, page S. 18041, H. 16346; House Report No. 1333 on H.R. 16363, 90th Congress, 2d. Session, page 11).

If the FMIA and PPIA were amended to permit the Federal Government to charge user fees for meat and poultry inspection, the States would be able to enact similar provisions for their inspection programs.

Sincerely,

/s/ C. L. Bacon

Connie L. Bacon, D.V.M.
Acting Director
Federal-State Relations Staff

FSIS:IO:IMP:FSRS:CLBacon:dmb:720-6313:02/14/95
WordPerfect5.1: CLB Working disk b:\USEFEES.DOC