

### Fiscal Estimate - 2017 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>17-0749/1</b>	<b>Introduction Number</b> <b>SB-478</b>	
<b>Description</b> licensing micro markets and providing an exemption from emergency rule procedures		
<b>Fiscal Effect</b>		
<b>State:</b> <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input checked="" type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
<b>Local:</b> <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input checked="" type="checkbox"/> Increase Costs      3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs      4. <input checked="" type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory 5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input checked="" type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
<b>Fund Sources Affected</b> <b>Affected Ch. 20 Appropriations</b> <input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.115(1)(gb)		
<b>Agency/Prepared By</b> DATCP/ Jason Gherke (608) 224-4748	<b>Authorized Signature</b> Jason Gherke (608) 224-4748	<b>Date</b> 11/27/2017

## Fiscal Estimate Narratives

DATCP 11/27/2017

LRB Number	17-0749/1	Introduction Number	SB-478	Estimate Type	Original
<b>Description</b> licensing micro markets and providing an exemption from emergency rule procedures					

### Assumptions Used in Arriving at Fiscal Estimate

This bill prescribes an annual license fee for a retail food establishment defined as a micro market. The bill also requires the Department of Agriculture, Trade and Consumer Protection (DATCP) or local health department agents to inspect new micro markets within one year of a license being issued.

DATCP is not able to determine the number of micro markets which will meet the definition established in the bill due to the newness of the business model. Currently, micro markets receive a retail food establishment license which if licensed by DATCP is \$45. But in order to demonstrate the fiscal effect of the bill, DATCP assumes there are 200 micro markets under DATCP and local health department agent program jurisdictions but believes this number may be higher. DATCP assumes it is likely that not more than one-third of the micro markets would be licensed by DATCP and at least two-thirds would be licensed by local health department programs.

The bill requires an initial inspection of each micro market during the first year in which the micro market is licensed. DATCP estimates the initial inspection cost for each micro market will be approximately \$60 and the license fee proposed by the bill, \$40 for a single micro market in a building, and \$60 for two or more micro markets in the same building may not offset the cost of the initial inspection in many cases.

If a reinspection of a micro market is required in order to verify that violations noted at a regular inspection have been corrected, the bill does not allow the department or local health department agent programs to charge a reinspection fee. Therefore reinspection costs will not be able to be recouped by DATCP or local health department agents. Based on other licensing models, DATCP assumes 10% of the micro markets may require an unfunded reinspection. Based on the assumption there are 200 micro markets and 10% will be required to be reinspected, the cost would be \$1,200 (200 x .10 x 60). It should be noted, if there are more than 200 micro markets within the State, reinspection costs would increase.

### Long-Range Fiscal Implications