

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE

Senate Bill 519 (Chairman, Education, Health, and Environmental Affairs Committee)
(By Request – Departmental – Health and Mental Hygiene)

Education, Health, and Environmental Affairs

Health and Government Operations

Food, Drugs, and Cosmetics - Regulation

This departmental bill includes in the definition of a “person” under the Food, Drugs, and Cosmetics statute as: (1) an operator of a facility owned by a State or local unit of government; or (2) a State or local unit of government if the unit of government is the facility’s operator.

Fiscal Summary

State Effect: Potential minimal increase in general fund expenditures. No effect on revenues.

Local Effect: Potential minimal increase in local health department revenues. No effect on expenditures.

Small Business Effect: The Department of Health and Mental Hygiene (DHMH) has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

Analysis

Current Law: A person may not operate a food establishment unless the person is licensed by DHMH. A food establishment annual license is \$150.

Background: This bill clarifies that government-owned and -operated food establishments must be licensed and inspected according to existing State laws and

regulations governing food establishments and facilities. DHMH's Community Health Administration (CHA) advises that a number of government-owned and -operated food establishments currently are complying with inspection requirements on a voluntary basis by contracting with local health departments or by inviting DHMH to inspect their facilities.

CHA further advises that this bill would close a gap in State law that seemingly creates an exemption for government-owned and -operated food establishments to licensure and inspection requirements. Many government-owned and -operated food establishments or facilities (such as colleges, correctional facilities, and State hospitals) serve large numbers of people daily with no mandated oversight to determine whether or not food is being handled safely and appropriately to protect public health. The bill will ensure that these facilities will be inspected at least annually. Currently, a number of government entities, such as correctional facilities, voluntarily agree to have their food establishments inspected in order to receive certain federal funds.

DHMH estimates that 50 to 60 additional inspections of State or local government-owned food establishments statewide would be conducted annually as a result of this bill. DHMH does not have an estimate of how many of these establishments would be State-owned and -operated and how many would be local government-owned and -operated. This number of additional inspections could be conducted with existing local health department staff.

State Fiscal Effect: Potential minimal increase in general fund expenditures for any State-owned and -operated food establishment that would be required to be licensed and pay a \$150 annual fee. Revenues would not be affected.

Local Fiscal Effect: Potential minimal increase in local health department revenues as an estimated 50 to 60 additional State and local government-owned food establishments become licensed and each pay a \$150 annual fee. Expenditures would not be affected because existing local health department staff could conduct the additional inspections required for licensure.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Health and Mental Hygiene, Department of Legislative Services

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