

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE

House Bill 86 (Delegate Stifler)
Health and Government Operations

**Public Health - Food Establishments - Process for Choosing Regulation or
Licensure of Excluded Organizations**

This bill requires the Department of Health and Mental Hygiene (DHMH) to adopt regulations that establish a process for food establishments operated by excluded organizations to choose whether to submit to regulation or licensure. The bill requires, rather than authorizes, DHMH to adopt regulations that establish a voluntary licensing system for excluded organizations.

Fiscal Summary

State Effect: DHMH general fund expenditures increase by \$23,500 to hire one part-time contractual employee to develop regulations and train local health department staff on the new regulations. No effect on revenues.

(in dollars)	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	23,500	0	0	0	0
Net Effect	(\$23,500)	\$0	\$0	\$0	\$0

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: Local health department workloads and revenues increase minimally beginning in FY 2010 to the extent that excluded organizations choose to be licensed under the bill.

Small Business Effect: Minimal.

Analysis

Current Law: A person has to be licensed by DHMH to operate a food establishment *unless* the food establishment is operated by an excluded organization. An excluded organization means:

- a bona fide nonprofit fraternal, civic, war veterans', religious, or charitable organization or corporation that does not serve food to the public more often than four days per week except that once a year it may serve food to the public for up to 14 consecutive days; or
- a volunteer fire company that does not serve food to the public more often than four days per week except that once a year it may serve food to the public for up to 30 consecutive days.

For excluded organizations, DHMH has to adopt separate, minimum standards that ensure food integrity and safety, preserve public health, and control foodborne illnesses. DHMH may also adopt a separate licensing system for excluded organizations to voluntarily choose to submit to as an alternative to the standard regulations. DHMH has not adopted regulations for a separate licensing system specifically for excluded organizations.

State Fiscal Effect: General fund expenditures increase by an estimated \$23,459 in fiscal 2010, which accounts for the bill's October 1, 2009 effective date. This estimate reflects the cost of hiring one part-time contractual sanitarian to develop regulations and train local health department staff on the new regulations. It includes a part-time salary, fringe benefits, one-time start-up costs, and operating expenses.

Contractual Position	0.5
Salary and Fringe Benefits	\$16,814
Operating Expenses	2,595
Start-up Costs	4,050
Total	\$23,459

The estimate assumes the termination of the contractual employee at the end of fiscal 2010.

Local Fiscal Effect: Local health departments are required to inspect licensed food establishments. However, local health departments do not have to inspect excluded organizations that are not licensed as food establishments. To the extent that excluded organizations choose the licensing option created under the bill, local health department workloads will increase to conduct inspections required for licensed food establishments.

However, the Department of Legislative Services advises that the number of excluded organizations that choose to be licensed as a result of the bill is likely to be small.

Local health department revenues will increase to the extent that excluded organizations choose the licensing option created under the bill. If regulations establish the same fee required for existing food establishment licenses, each new license will increase local revenues by \$300. However, the Department of Legislative Services advises that the number of excluded organizations that choose to be licensed under the bill will likely be small, making local revenue increases minimal.

Additional Information

Prior Introductions: None.

Cross File: SB 131 (Senator Glassman) - Finance.

Information Source(s): Department of Legislative Services

Fiscal Note History: First Reader - February 1, 2009
ncs/mwc

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