

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1827 S HB	<b>Title:</b> Wholesale food distributors
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## Estimated Cash Receipts

Agency Name	2013-15		2015-17		2017-19	
	GF- State	Total	GF- State	Total	GF- State	Total
Department of Agriculture	5,000	5,000	2,000	2,000	2,000	2,000
<b>Total \$</b>	<b>5,000</b>	<b>5,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>

## Estimated Expenditures

Agency Name	2013-15			2015-17			2017-19		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Department of Health	.0	0	0	.0	0	0	.0	0	0
Department of Agriculture	.7	183,500	183,500	1.4	287,000	287,000	1.4	287,000	287,000
<b>Total</b>	<b>0.7</b>	<b>\$183,500</b>	<b>\$183,500</b>	<b>1.4</b>	<b>\$287,000</b>	<b>\$287,000</b>	<b>1.4</b>	<b>\$287,000</b>	<b>\$287,000</b>

## Estimated Capital Budget Impact

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). A fiscal analysis was prepared to show the projected ten-year cost to tax or fee payers of the proposed taxes or fees. The ten-year projection can be viewed at

<http://www.ofm.wa.gov/tax/default.asp>

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\* See Office of the Administrator for the Courts judicial fiscal note

\*\* See local government fiscal note

FNPID: 37358

FNS029 Multi Agency rollup

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1827 S HB	<b>Title:</b> Wholesale food distributors	<b>Agency:</b> 303-Department of Health
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## Part I: Estimates

☒ **No Fiscal Impact**

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Megan Mulvihill	Phone: 360-786-7291	Date: 02/06/2014
Agency Preparation: Jodine Sorrell	Phone: 360-236-4532	Date: 02/07/2014
Agency Approval: Kristin Bettridge	Phone: (360) 236-4530	Date: 02/07/2014
OFM Review: Danielle Cruver	Phone: (360) 902-0575	Date: 02/08/2014

Request # 14-069-1

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

Section 2: This bill would require the State Board of Health to amend its rules (chapter 246-215 WAC) to exempt “pass-through wholesale food distributors” licensed by the Department of Agriculture. Rule development will be minor enough to do with existing staff time; therefore, there is no fiscal impact.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

## Part III: Expenditure Detail

## Part IV: Capital Budget Impact

NONE

## Part V: New Rule Making Required

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1827 S HB	<b>Title:</b> Wholesale food distributors	<b>Agency:</b> 495-Department of Agriculture
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## Part I: Estimates

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No Fiscal Impact

### Estimated Cash Receipts to:

ACCOUNT	FY 2014	FY 2015	2013-15	2015-17	2017-19
General Fund-State 001-1		5,000	5,000	2,000	2,000
<b>Total \$</b>		5,000	5,000	2,000	2,000

### Estimated Expenditures from:

	FY 2014	FY 2015	2013-15	2015-17	2017-19
FTE Staff Years	0.0	1.4	0.7	1.4	1.4
<b>Account</b>					
General Fund-State 001-1	0	183,500	183,500	287,000	287,000
<b>Total \$</b>	0	183,500	183,500	287,000	287,000

### Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

☒

If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐

If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐

Capital budget impact, complete Part IV.

☐

Requires new rule making, complete Part V.

Legislative Contact: Megan Mulvihill	Phone: 360-786-7291	Date: 02/06/2014
Agency Preparation: Kirk Robinson	Phone: 360-902-1888	Date: 02/12/2014
Agency Approval: Mary Thygesen	Phone: 360-902-1989	Date: 02/12/2014
OFM Review: Heather Matthews	Phone: (360) 902-0543	Date: 02/12/2014

Request # 14-20-1

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

Substitute House Bill 1827 directs the Department of Agriculture (WSDA) to establish procedures, issue licenses, inspect vehicles and logs; and investigate pass-through wholesale food distributors.

New Section 1 – establishes a pass-through wholesale food distributor license.

Section 2 – exempts pass-through wholesale food distributors that have a license from WSDA from the state board's food service rules and any food service regulations adopted by local health jurisdictions.

New Section 3 (1) – establishes the licensing requirements for an applicant.

New Section 3 (2) – specifies a licensing fee cannot exceed \$500 per license.

New Section 3 (5) (d)– authorizes the department to adopt rules and regulations for the administration and regulation of this program.

New Section 3 (6) (b) – defines “pass-through wholesale food distributor”.

We assume a July 1, 2014 implementation date.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

Section 3 adds the pass-through wholesale food distributors to chapter 69.04 RCW under the Department of Agriculture (WSDA).

Section 3(2) allows WSDA to charge a fee that does not exceed \$500 per license to defray the costs to administer the program. The department assumes the revenue received from fees will be deposited in the General Fund-State account. There is no provision in the bill addressing license renewals.

The Department is aware of one business in Washington state that could currently meet the definition of “pass-through wholesale food distributor.” We assume there are others that would also meet the definition. Although the total number is unknown, for the purposes of this analysis we assume a total of 10 as the base with 2 new licensees added each fiscal year thereafter.

Cash receipts:

FY 15 : \$5,000 (10 licensees X \$500)

Ensuing years: \$1,000 (2 new licensees each year X \$500)

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

The bill adds a new licensing and regulatory program within the Department of Agriculture (WSDA). New workload includes establishing policies and developing rules; providing outreach to industry stakeholders; issuing licenses; conducting inspections; and investigating complaints for the new pass-through wholesale food distributors program.

#### Staffing Assumptions:

A Food Safety Officer 3 position is needed (1.0 FTE) to handle most aspects of the inspections. Responsibilities include, but are not limited to: annual inspections of vehicles owned or rented by the entity and food storage sites, tracking results, and investigating complaints for noncompliance and unlicensed activities. This position will be based in Olympia but will travel around the state, with frequent overnight stays to perform inspections on vehicles at "sales events", as well as for inspections of food storage sites.

Administrative Assistant 4 support is needed at 0.2 FTE to handle phone inquiries, customer complaints, emails, managing web pages, forms, and perform other administrative tasks such as scheduling and travel arrangements.

Program Administrator support is needed at 0.1 FTE for increased administrative responsibilities related to staffing and to handle policy and legislative issues associated with a regulatory program.

#### Other Costs:

In addition to the cost of salary and benefits, other costs have been added which include facility rent/lease and utility costs, telephone equipment and line charges, desktop support, employee training and other standard goods and services associated with adding new staff.

We assume a General Fund-State appropriation will be provided to cover the costs of implementing the program.

### Part III: Expenditure Detail

#### III. A - Expenditures by Object Or Purpose

	FY 2014	FY 2015	2013-15	2015-17	2017-19
FTE Staff Years		1.4	0.7	1.4	1.4
A-Salaries and Wages		81,400	81,400	162,800	162,800
B-Employee Benefits		26,700	26,700	53,400	53,400
C-Professional Service Contracts					
E-Goods and Other Services		53,100	53,100	26,200	26,200
G-Travel		7,200	7,200	14,400	14,400
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-Agency Overhead - 14% salaries and bene		15,100	15,100	30,200	30,200
<b>Total:</b>	\$0	\$183,500	\$183,500	\$287,000	\$287,000

**III. B - Detail:** *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2014	FY 2015	2013-15	2015-17	2017-19
Administrative Assistant 4	48,168		0.2	0.1	0.2	0.2
Administrator	79,776		0.2	0.1	0.2	0.2
Food Safety Officer 3	55,836		1.0	0.5	1.0	1.0
<b>Total FTE's</b>	183,780		1.4	0.7	1.4	1.4

**Part IV: Capital Budget Impact**

NONE

N/A

**Part V: New Rule Making Required**

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

Rulemaking is needed to set the fee level and establish licensing standards for the pass-through wholesale food distributors. An estimate of \$40,000 is included in the expenditure estimates for state Attorney General time.