



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **HB 467** HLS 24RS 503
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

| | | |
|---|---------|--------------------------------|
| Date: May 21, 2024 | 8:39 AM | Author: COATES |
| Dept./Agy.: Louisiana Department of Health | | Analyst: Garrett Ordner |
| Subject: Sale of Raw Milk | | |

AGRICULTURE/MILK EG INCREASE GF EX See Note Page 1 of 1
 Provides relative to the sale of raw milk

Proposed law authorizes the sale of unpasteurized whole or goat milk by producers to consumers. Proposed law provides for regulations, labeling requirements, inspections by the Louisiana Department of Health (LDH) quarterly and upon request of a consumer, sanitation standards, and testing requirements. Proposed law provides for notification and product recall requirements in cases where the product may be unsafe for the consumer. Proposed law requires producers or farmers of raw milk to complete a course which must be made available by LDH on its website no later than January 1, 2025.

| EXPENDITURES | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 5 -YEAR TOTAL |
|---------------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|
| State Gen. Fd. | INCREASE | INCREASE | INCREASE | INCREASE | INCREASE | |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Annual Total | | | | | | |
| REVENUES | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 5 -YEAR TOTAL |
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Annual Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

EXPENDITURE EXPLANATION

The Louisiana Department of Health (LDH) reports that it will incur costs of \$668,704 in FY 25, \$906,364 in FY 26 and FY 27, \$918,348 in FY 28, and \$906,364 in FY 29 to regulate the sale of raw milk. The majority of these costs are associated with LDH's reported need for seven (7) T.O positions. **The LFO has requested additional information from LDH regarding the assumptions and calculations underlying this cost estimate and will update this fiscal note when such information is provided. While the LFO does agree this instrument may create a significant expenditure increase in excess of \$100,000, the LFO cannot corroborate that the workload generated by the regulatory and inspection requirements incorporated in the bill will be sufficient to require the workforce detailed by the department. Workload requirements will depend largely on the number of producers that enter the market and the volume of product supply and demand.**

LDH reports it will need to hire one (1) Administrative Coordinator 3 position to perform processing and data entry tasks, five (5) Sanitarian 4 positions to conduct inspections of raw milk sellers, and one (1) Sanitarian 5 position to act as a supervisor. LDH reports that salary and benefits costs for these positions will total \$558,256 in FY 25 and \$739,412 annually thereafter. The LFO cannot corroborate LDH's reported need for the number of positions and has requested additional information from LDH detailing the daily function and responsibility of the positions.

LDH also reports it will incur \$81,726 in operating expenses in FY 25 and \$163,452 annually thereafter. This includes \$48,000 per year to rent five vehicles for use by the sanitarians to travel to inspection sites. However, LDH has not provided detailed information on the remaining operating expenses. LDH claims it will incur \$18,722 in equipment costs in FY 25, \$3,500 in FY 26 and FY 27, \$15,484 in FY 28, and \$3,500 in FY 29. However, LDH has only provided details on \$200 of these equipment costs for a new filing cabinet to store results of tests conducted by raw milk producers pursuant to the proposed law. The LFO has requested additional details from LDH regarding how these funds will be spent.

Finally, proposed law requires LDH to make an online course available to sellers of raw milk on its website. LDH estimates it will cost \$10,000 in FY 25 for a contract to develop this course.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}


Patrice Thomas
Deputy Fiscal Officer