



**State Fiscal Note for Bill
Number: 2014-H-7548**

Date of State Budget Office Approval:

Date Requested: Thursday, May 01, 2014

Date Due: Sunday, May 11, 2014

<i>Impact on Expenditures</i>		<i>Impact on Revenues</i>	
FY 2014	N/A	FY 2014	N/A
FY 2015	\$0	FY 2015	(\$3,500)
FY 2016	\$0	FY 2016	(\$3,500)

**Explanation by State
Budget Office:**

This bill amends the language contained within section 23-1-54 of the Rhode Island General Laws, entitled "Fees Payable to the Department of Health", to eliminate the licensure requirements of out-of-state wholesale food processors. Currently, the Department of Health charges a \$500 annual fee to all wholesale food processors, both in-state and out-of-state, to do business in the State of Rhode Island.

**Comments on
Sources of Funds:**

Revenues generated by the Department of Health's licensure of wholesale food processors are deposited as general revenue funds.

**Summary of Facts
and Assumptions:**

1. It is assumed that passage of this bill would occur on July 1, 2014.
2. Only food businesses that are located outside of the State of Rhode Island and currently pay the Food Processors Wholesale fee to the State are affected.
3. The number of businesses that pay this fee currently stands at seven, with no change anticipated through the forecast horizon.
4. Licensure totals from FY 2013 are used for the purposes of this analysis. There is not expected to be significant deviation in FY 2015 and FY 2016 in the number of licensed food businesses.
5. In FY 2013, the Department of Health licensed seven wholesale out-of-state food processors resulting in the receipt of \$3,500 in general revenue funds.
6. Renewals are conducted on an annual basis on the first day of October.

Note: These food processors already pay fees to their respective states in addition to fees paid to the State of Rhode Island. Although not included in this bill, there are other categories of fees that are charged to other food related businesses that operate out-of-state such as (not water) bottlers and canners, frozen dessert wholesalers, milk processors, and milk distributors. These additional food businesses generate \$99,330 annually in fees.

**Summary of Fiscal
Impact:**

This bill would result in a reduction of \$3,500 in general revenue funds for both FY 2015 and FY 2016. There is no anticipated impact to expenditures as the Department does not currently inspect out of state facilities.

Budget Office Signature:

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Thursday, May 22, 2014

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Fiscal Advisor Signature:

