

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 33 - A

81st Oregon Legislative Assembly – 2021 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Measure Description:

Authorizes State Department of Agriculture to establish additional food safety program license fees for fiscal years beginning July 1, 2022, and July 1, 2023.

Government Unit(s) Affected:

Oregon Department of Agriculture (ODA)

Summary of Fiscal Impact:

Costs related to the measure may require budgetary action - See analysis.

Analysis:

SB 33 - A authorizes the Oregon Department of Agriculture (ODA) to increase by rule certain food safety program license fees. The increase for the fiscal year beginning July 1, 2022 is capped at seven percent of the amount of the license fee for the preceding fiscal year. The increase for the fiscal year beginning July 1, 2023 is capped at seven percent of the license fee for the preceding fiscal year, excluding any increases that were made under this measure starting in the 2022 fiscal year. Increases to license fees under this measure do not preclude ODA from modifying or imposing additional license fees; under HB 2059 (2019) ODA was also granted the authority to increase fees by three percent annually through fiscal year 2025. This measure contains an emergency clause and takes effect on passage, allowing ODA to immediately begin rulemaking around potential fee increases.

By increasing the statutory cap, ODA will be able to administratively adjust the annual fee amounts to ensure the Food Safety Program has sufficient revenue going forward. Should the fees be increased to the maximum seven percent statutory cap, ODA would see an additional \$296,527 Other Funds revenue from this fee in the 2021-23 biennium, and \$1,229,108 Other Funds revenue in the 2023-25 biennium. However, the Department will need to continue to evaluate its budget needs along with stakeholder input to determine the appropriate fee levels to be adopted by rule, which will then require ratification by the Legislature.

This measure is linked to Policy Option Package 220 (Food Safety Fee Increase) in the ODA 2021-23 request budget. This Package includes a placeholder revenue amount since actual fee levels for 2021-23 are not yet finalized.