

Department of Planning and Budget 2018 Fiscal Impact Statement

1. **Bill Number:** SB414

House of Origin Introduced Substitute Engrossed
 Second House In Committee Substitute Enrolled

2. **Patron:** McDougle

3. **Committee:** Finance

4. **Title:** Micro Market Act; penalty.

5. **Summary:** This bill provides for the Department of Agriculture and Consumer Services to issue permits for the operation of a micro market, which is defined in the bill as an unattended, self-checkout retail food establishment located in the interior of a building that is accessible to a defined population, such as the employees of a particular employer or occupants of the building in which the micro market is located, and is not accessible to the general public. The bill establishes minimum standards for the operation of a micro market and provides that any person who operates a micro market without the required permit or violates a condition of such permit is guilty of a Class 1 misdemeanor.

6. **Budget Amendment Necessary:** Yes, to Item 94 of HB30/SB30.

7. **Fiscal Impact Estimates:** Preliminary.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2018	n/a	n/a	n/a
2019	\$233,453	3	GF
2020	\$233,463	3	GF
2021	\$233,463	3	GF
2022	\$233,463	3	GF
2023	\$233,463	3	GF
2024	\$233,463	3	GF

7b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2018	n/a	n/a
2019	\$12,000	NGF
2020	\$12,000	NGF
2021	\$12,000	NGF
2022	\$12,000	NGF
2023	\$12,000	NGF
2024	\$12,000	NGF

- 8. Fiscal Implications:** It is anticipated that the bill will have a fiscal impact on the Virginia Department of Agriculture and Consumer Services (VDACS) for enforcement of the provisions of the bill. It is difficult to estimate the number of micro markets across the Commonwealth. According to the agency, there are likely at least several hundred micro markets, but a firm estimate of the total number is not available at this time. VDACS estimates at least two Food Safety Specialists are necessary to inspect the additional firms, and an additional administrative employee is necessary to manage the permit issuance and renewal at a total annual cost of \$233,463. A general fund budget amendment of \$233,453 and three positions will be necessary.

VDACS collects an annual \$40.00 inspection fee from all establishments subject to inspection. The nongeneral fund revenue estimate is based on the annual food safety fees collected from an estimated 300 micro markets. Additional nongeneral fund appropriation is not necessary as nongeneral fund appropriation for the program may be adjusted administratively if such revenue collections increase as a result of this bill.

Violations of the provisions of the bill are punishable by a Class 1 misdemeanor charge. Anyone convicted of a Class 1 misdemeanor is subject to a sentence of up to 12 months in jail. There is not enough information available to reliably estimate how many additional inmates in jail could result from this proposal. Ultimately, the presiding judge will decide if there is to be any time served in jail; however, any increase in jail population will increase costs to the state. The Commonwealth presently pays the localities \$4.00 a day for each misdemeanant or otherwise local responsible prisoner held in a jail. It also funds a large portion of the jails' operating costs, e.g. correctional officers. The state's share of these costs on a per prisoner, per day basis varies from locality to locality. However, according to the Compensation Board's most recent Jail Cost Report (November 2017), the estimated total state support for local jails averaged \$34.58 per inmate, per day in FY 2016.

- 9. Specific Agency or Political Subdivisions Affected:** Department of Agriculture and Consumer Services; local courts, jails, and prisons.

10. Technical Amendment Necessary: No.

11. Other Comments: None.