

NOTE: As provided in LFC policy, this report is intended only for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used for other purposes.

The most recent FIR version (in HTML & Adobe PDF formats) is available on the Legislative Website. The Adobe PDF version includes all attachments, whereas the HTML version does not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR: Nunez DATE TYPED: 02/28/03 HB 733

SHORT TITLE: Raise Food Service Sanitation Fees SB _____

ANALYST: Padilla

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04			
		\$160.0	Recurring	Food Service Sanitation Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
New Mexico Environment Department

SUMMARY

Synopsis of Bill

House Bill 733 amends the Food Service Sanitation Act to allow the New Mexico Environment Department's Environmental Improvement Board to set food permit fees between \$100 and \$200 annually with no more than a \$25 increase per fiscal year. The fees apply to food service establishments.

Significant Issues

Current statute limits permit fees to \$100. Given this limit, NMED says it collects only one-third of the cost of permitting and inspecting food service establishments in the state. Additional fee revenue would help NMED assist its current food-permitting program by training personnel, expanding public outreach and performing inspections. NMED suggests it will be able to adopt a new performance measure if higher fees are adopted: percentage of food service personnel receiving food safety and sanitation training.

FISCAL IMPLICATIONS

The increased fee revenue allowed by this bill will, per existing statute, be deposited in the Food Service Sanitation Fund. NMED estimates that a future increase of \$25 in the permit fee will generate approximately \$160.0 in revenues to the fund. Because the increased fees allowed by this bill have to be established by the Environmental Improvement Board, NMED believes increased fee revenue will not be generated until after fiscal year 2004.

ADMINISTRATIVE IMPLICATIONS

NMED believes an increase in fees that would be allowed by this bill could be managed with existing staff.

SUGGESTED AMENDMENT

NMED suggests an amendment to current statute (Section 25-2-5.1) regarding the Food Service Sanitation Fund to accompany this bill:

The "food service sanitation fund" is created in the state treasury ~~to be administered by~~ and is appropriated to the department of environment for the purpose of paying the costs of administering regulations promulgated by the board to carry out the provisions of the Food Service Sanitation Act [this article].

LP/lr