



February 28, 2023

SUMMARY OF BILL AS AMENDED (004554): Designates the Commissioner of the Department of Agriculture as the state official responsible for cooperating with the United States Secretary of Agriculture (USDA) under the federal *Meat Inspection Act*. Requires the Commissioner of the Department of Agriculture (DOA) to cooperate with the USDA to develop and administer a meat inspection program with requirements at least equal to those imposed by the federal *Meat Inspection Act*. Authorizes DOA to spend state funds to pay 50 percent of the state's estimated total cost of the cooperative program between the department and the federal government. Authorizes the Commissioner to accept advisory assistance from the USDA in planning and developing the state program, including technical and laboratory assistance and training, and financial and other aid for administration of the program. Requires the DOA to hire at least eight inspectors to fulfill the inspection duties established by this act. Establishes that the jurisdiction of the Commissioner within the scope of this meat inspection program is exclusive, and no county or municipal board of health or other county or municipal agency has the power or jurisdiction to regulate the inspection, slaughtering, processing, or transportation of any livestock, carcasses, or parts thereof or the meat and meat food products of such animals.

Authorizes the Commissioner to cooperate with all other branches of government to effectuate the provisions of this act, including entering into contracts.

Effective upon becoming law for purposes of implementing the Act. Effective January 1, 2024 for all other purposes.

FISCAL IMPACT OF BILL AS AMENDED:

Increase State Revenue –

\$1,866,300/FY23-24/General Fund

\$1,531,000/FY24-25 and Subsequent Years/General Fund

Increase State Expenditures –

\$1,866,300/FY23-24/Agricultural Regulatory Fund

\$1,531,000/FY24-25 and Subsequent Years/Agricultural Regulatory Fund

Other Fiscal Impact - This legislation states that the Department of Agriculture may spend public funds of this state appropriated for administration of these

inspections, equal to 50 percent of the state’s estimated costs of the cooperative program administered jointly by the department and the USDA; however, any responsibility of the USDA cannot be dictated nor assumed by this legislation; therefore, all estimated expenditures are assumed to be incurred at the state level.

Assumptions for the bill as amended:

- The USDA currently inspects all meat facilities in the state except custom slaughterhouses.
- Federal law authorizes states to establish state meat and/or poultry inspection programs, which is not currently established under the *Tennessee Meat and Poultry Inspection Act*. This legislation requires a meat inspection program, but does not require such inspections for poultry.
- This legislation will have no direct impact upon the current duties of the USDA regarding food inspection, under the doctrine of preemption; therefore, this legislation is estimated to have no significant impact upon duties or funds made and spent by the federal government.
- Based on previous information provided by the DOA, the department will require the following additional positions in order to carry out the provisions of this legislation: three veterinarians, three animal health technicians, one public health regulatory administrator, and one administrative assistant.
- Additionally, this legislation requires that the DOA hire at least eight inspectors; therefore, it is Department will add eight additional food and dairy inspector-1 positions.
- It is assumed the positions will be filled July 1, 2023.
- There will be a recurring increase in state expenditures of \$1,415,164 (\$951,132 salaries + \$275,232 benefits + \$169,600 travel and supplies + \$19,200 computers) in FY23-24.
- There will be a recurring increase in state expenditures of \$1,395,964 (\$951,132 salaries + \$275,232 benefits + \$169,600 travel and supplies) in FY24-25 and subsequent years.
- To fulfill the requirements of this legislation, laboratory equipment and services will be necessary. There will be a one increase in state expenditures of \$250,000 to purchase equipment in FY23-24.
- Further, due to the necessity of travel for inspections, there will be a one-time increase of expenditures of \$133,600 for vehicle purchases in FY23-24.
- There will be a recurring increase in state expenditures of \$135,000 (\$50,000 in laboratory supplies + \$85,000 in outsourcing testing) in FY24-25 and subsequent years.
- Due to the January 1, 2024 effective date, FY23-24 will only require 50 percent of the supplies and outsource testing of a full fiscal year. There will be an increase in state expenditures of \$67,500 [(\$50,000 in laboratory supplies + \$85,000 in outsourcing testing) x 50%] in FY23-24.
- The total increase in state expenditures in FY23-24 will be \$1,866,264 (\$1,415,164 staff + \$250,000 lab equipment + \$133,600 vehicles + \$67,500 supplies and outsourcing).
- The total increase in state expenditures in FY24-25 and subsequent years will be \$1,530,964 (\$1,395,964 + \$135,000).
- Pursuant to Tenn. Code Ann. §43-1-703(c), the DOA will set license, permit, and inspection fees to offset the additional costs incurred due to this legislation.

- It is assumed all businesses will apply for licensure between January 1, 2024 and June 30, 2024.
- There will be a recurring increase to state revenue of \$1,866,264 in FY23-24 and a recurring increase in state revenue of \$1,530,964 in FY24-25 and subsequent years to the Agricultural Regulatory Fund.
- Although this legislation states that the DOA may spend public funds of this state appropriated for administration of these inspections, equal to 50 percent of the state's estimated costs of whatever cooperative program administered jointly by the DOA and the USDA, any responsibility of the USDA cannot be dictated nor assumed by this legislation; therefore, all estimated expenditures are assumed to be incurred at the state level.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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