

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended, Be Printed Engrossed, and Be Referred to the Committee on Ways and Means
Vote:	4 - 1 - 0
Yeas:	Bonamici, George, Monroe, Shields
Nays:	Boquist
Exc.:	0
Prepared By:	Patrick Brennan, Administrator
Meeting Dates:	3/28, 4/20

WHAT THE MEASURE DOES: Allows the Department of Agriculture to adopt rules establishing license fees for certain food-related establishments and occupations. Limits the timing and amount of fees that may be established by rule. Applies to fees charged for licensing periods beginning on or after July 1, 2011. Specifies that existing statutory fees continue until replaced through adoption of rule. Allows the Department to charge fees for services provided in connection with licenses for certain food-related establishments and occupations. Sunsets provisions related to three-percent limit on fee increase on January 2, 2018.

ISSUES DISCUSSED:

- Funding mechanism for Department’s food safety program
- Current revenue projections for program
- Request to refer measure to Joint Committee on Ways and Means

EFFECT OF COMMITTEE AMENDMENT: Removes fee for service provisions in section 2. Deletes emergency clause. Inserts sunset date of January 1, 2018 for provisions related to the three-percent increase.

BACKGROUND: During the past several years, the Food Safety Division at the Oregon Department of Agriculture (ODA) has been modified to place more program costs on other funds and less on the General Fund. This provision also allows for an annual (three?) two-percent fee increase, which is scheduled to expire on June 30, 2011. The funds generated by the fees are used to perform oversight and inspections of several types of food-related facilities and occupations that pay the fees.

Senate Bill 118-A authorizes ODA to adopt, by rule, fee schedules for a number of food-related facilities and occupations. Such fees may not be increased more than three percent in a given year; this limit sunsets on January 2, 2018. The rulemaking authority applies to fees for the following: milk samplers, graders, producers and distributors; mobile milk tankers and dairy product plants; bakeries and bakery distributors; refrigerated lockers; egg handlers; and nonalcoholic beverage manufacturers.