

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 1019 - 2

80th Oregon Legislative Assembly – 2019 Regular Session
Legislative Fiscal Office

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

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Measure Description:

Amends standards regulating egg production and sale of eggs and egg products.

Government Unit(s) Affected:

Oregon Department of Agriculture (ODA)

Summary of Fiscal Impact:

Costs related to the measure are indeterminate at this time - See explanatory analysis.

Analysis:

The legislation would prohibit a person from not buying, selling, offer to buy or sell, transporting or offer to transport in intrastate commerce, or accept receipt of, an egg or egg product that was not produced under conditions meeting or exceeding the enclosure standards established by Department of Agriculture (ODA) rules. An exception is provided for the sale of eggs or egg products at a plant where mandatory inspection is maintained under the federal Egg Products Inspection Act.

ODA must adopt rules, no later than January 1, 2023 to become effective January 1, 2024, related to hens housing systems and usable floor space. ODA must inspect commercial egg production facilities by qualified auditors at reasonable times. Permissive language regarding ODA’s authority to assess a \$2,500 civil penalty for violations is changed to an affirmative shall.

To conduct rulemaking ODA will need to conduct outreach and hold public hearings to follow administrative procedure and allow stakeholders to provide feedback. Since rulemaking is a regular course of business for the agency these costs would normally be assumed to minimal and absorbable within existing budgetary parameters. However, the effective timeframe of this legislation is beyond the scope of the standard two biennia fiscal impact estimated by the Legislative Fiscal Office. Depending on the level of resources provided to the Department for their 2021-23 budget, the agency may need to return to the Emergency Board or a subsequent legislative session to request additional resources in order to comply with the provisions of this legislation. Additionally, while the current egg-laying program activities within the Department allow for cost-recovery, it is likely that ODA will need to increase fees to cover the costs of implementation and administration of the new requirements.