

HB 2059 STAFF MEASURE SUMMARY

Joint Committee On Ways and Means

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Meeting Dates: 5/16, 5/17

WHAT THE MEASURE DOES:

Extends the sunset on the Oregon Department of Agriculture (ODA) authority to impose limited fee increases of three percent per year for certain licenses related to food production from July 1, 2018 to July 1, 2025. Requires that ODA fee increases be approved retroactively to June 30, 2019 if the law takes effect after June 30, 2019. Corrects internal reference errors regarding licenses for certain meat-related food establishments. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Fiscal impact of the measure
- Previous fund shifts that have reduced General Fund in this program causing increased reliance on fee revenue
- Need for another fee increase for this program in the future

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Oregon Department of Agriculture (ODA) is responsible for regulating production, processing, and distribution of food products. ODA provides licenses for the following types of food establishments: retail, bakery, meat, eggs, shellfish, dairy, non-alcoholic beverages, pet food, food processing and warehousing, home kitchen processing and baking, and refrigerated lockers. The ODA Food Safety Program is supported by food establishment license fees as well as General Fund.

House Bill 2059 would extend the sunset on ODA authority to annually impose limited fee increases of three percent per year for certain licenses related to food production.

The measure was passed out of the House Committee on Agriculture and Land Use by a 7-0 vote on February 19 after discussing the following issues: the purpose of, and funding for, the ODA Food Safety Program (Program); the \$1.4 million fund shift from the General Fund to Other Fund in the 2017-2019 Program budget; 2018-2019 license fee increases.