

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 4152 - 1

80th Oregon Legislative Assembly – 2020 Regular Session
Legislative Fiscal Office

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

Prepared by: Meg Bushman-Reinhold
Reviewed by: John Terpening
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Measure Description:

Allows State Department of Agriculture to adopt rules governing inspection of wholly intrastate processing and sale of beef and lamb.

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:

This bill allows the Oregon Department of Agriculture (ODA) to adopt rules to establish a program for state inspection of the processing and sale of meat products from amenable species and non-amenable species. The rules must at least be equal to the requirements imposed under the Federal Meat Inspection Act and the federal Humane Methods of Livestock Slaughter Act.

The Federal Meat Inspection Act is the sole regulating authority over Meat Processing in the United States and cannot be pre-empted. States can choose to work with United States Department of Agriculture (USDA) to develop cooperative agreements to support state inspection. All state plans must be approved by the USDA Meat Inspection Program and conform to “or equal” status with the federal guidelines.

Currently, there are only 14 meat processing plants in Oregon that are staffed by Federal Meat Inspectors. With rules established for a potential State meat inspection program, it would provide for more opportunities in Oregon for meat processing around the state. To meet the USDA “or equal” standard, interested businesses will likely have to make infrastructure investments. ODA will engage in outreach with stakeholders to generate a list of interested parties. Once interested parties are identified ODA will be able to further evaluate program needs and the volume of the types of meat processing involved.

The fiscal impact to ODA to adopt rules is estimated to be minimal for the 2019-21 biennium. However, the impact in future biennia is indeterminate. First, ODA will need to formulate rules that establish an “or equal” standard, and then work with the USDA on a cooperative agreement to spell out the requirements of a State Meat Inspection program. In order to finalize any agreement with the USDA on a state program, ODA would need to identify program costs and staffing needs, based on the number of facilities that would be under the cooperative agreement.

The Legislative Fiscal Office notes that the USDA requires that the funding for the state inspection program’s costs and staffing needs are in place before any agreement is finalized. Any funding for the program costs and staffing needs would require additional legislation or would need to be included in the Department’s biennial budget bill.