

Department of Planning and Budget

2022 Fiscal Impact Statement

1. Bill Number: HB837

House of Origin	<input type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
Second House	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input checked="" type="checkbox"/>	Enrolled

2. Patron: Wilt

3. Committee: Passed both houses

4. Title: Food and drink law; permitting requirements.

5. Summary: Requires any food manufacturer, food storage warehouse, and retail food establishment to obtain a permit from the Commissioner of the Virginia Department of Agriculture and Consumer Services (VDACS) prior to operating. Any such entity issued a permit would be exempt from any other license, permit, or inspection required for the sale, preparation, or handling of food unless such food manufacturer, food storage warehouse, or retail food establishment is operating predominately as (i) a restaurant as jointly determined by the State Health Commissioner and the Commissioner; (ii) a plant that processes and distributes Grade A milk, as determined by the State Health Commissioner; or (iii) a shellfish establishment as determined by the State Health Commissioner. The bill requires the Commissioner to notify such entities of the reason for denial of a permit and requires that any denial, suspension, or revocation of a permit be carried out in accordance with the Administrative Process Act. The bill will not become effective until January 1, 2023, to any food manufacturer, food storage warehouse, or retail food establishment located in a locality that adopted a local food inspection or permitting ordinance prior to January 1, 2022. The bill requires VDACS to work with localities that adopted a local food inspection or permitting ordinance prior to January 1, 2022, to address concerns regarding the implementation of this bill prior to the January 1, 2023, implementation in such that adopted a local food inspection or permitting ordinance prior to January 1, 2022.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Final. See item 8.

8. Fiscal Implications: The Virginia Department of Agriculture and Consumer Services (VDACS) anticipates this bill will lead to a small increase in administrative work that can be absorbed within existing resources. The VDACS Food Safety Program inventory consists of approximately 13,000 firms. VDACS anticipates issuing permits to the same establishments currently being inspected, so the issuing of permits can be absorbed into current agency operations. If physical permits are issued to retail food establishments, it is estimated the process of issuing permits for retail food establishments utilizing standard methodologies will take an initial 80 hours of administrative support time. This includes assembling and mailing out the majority of permits as well as the issuance of permits as new firms open for

business. Thereafter, the issuance of permits will be confined to new food establishments only.

The Virginia Department of Health anticipates no fiscal impact from this legislation.

9. Specific Agency or Political Subdivisions Affected: Virginia Department of Agriculture and Consumer Services, Virginia Department of Health

10. Technical Amendment Necessary: No.

11. Other Comments: None