

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 394 – HB 521

February 19, 2015

SUMMARY OF BILL: Creates the Non-GMO Projects Product Verification Program (the program); defines multiple terms related to the program; states that the purpose of the program is to verify that a participant's systems and procedures ensure that delivery of products from Tennessee working farms are not genetically engineered; authorizes any person, company, or entity to voluntarily participate in the program by submitting a verification inquiry form to the program through the program's website; requires the program to be administered by an independent third party entity deemed a technical administrator (TA); requires the TA to conduct annual evaluations of each participant and to develop a seal, to be placed on or near the product, for the purpose of confirming the product has not been genetically engineered; permits any participant to withdraw from the program at any time; declares that the state shall not be held liable for any claims, accuracy of information, or misrepresentation arising out of the program.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- This bill does not authorize or require any department or state agency to administer any of the provisions of this bill.
- Given the bill requires an independent third party technical administrator to develop and administer the program, any fiscal impact as a result of this bill will be borne by private parties.
- No impact to state or local government.

IMPACT TO COMMERCE:

Other Commerce Impact – To the extent an independent third party administrator develops the program; the entity will incur one-time and recurring business expenditures of unknown amounts. To the extent the administrator of the program imposes fees for services provided to participants, the administrator will recognize recurring revenue of unknown amounts. However, any such fees which are paid by participants will be considered additional business expenses to the applicant. In addition, this bill

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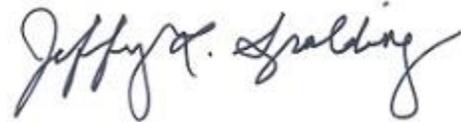
may create additional jobs based on the need for human resources by the administrator of the program.

Assumptions:

- There will be both one-time and recurring business expenditures for the independent third party technical administrator to create, develop, and administer the proposed program. Such expenses include, but are not limited to, the development and maintenance of a website, developing of rules and regulations for the program, development of the seal for food products, staffing and administrative costs, participant inspection costs, food sampling and analyzing costs, and reporting costs. The extent of any business expenditures cannot be determined because such impact is dependent upon multiple unknown factors.
- There could be an increase in business revenue to the program if the independent third party administrator of the program implements fees for services provided. However, the bill is silent to any potential fees that may be assessed.
- There is potential for job creation dependent upon the need for human resources required by the administrator to effectuate the purposes of the program.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Jeffrey L. Spalding, Executive Director

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