

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 2256 - HB 2686

May 5, 2020

SUMMARY OF BILL: Authorizes any person who tends to one or more hooved mammals for the purpose of producing milk to be consumed or otherwise used by an independent or partial owner of the hooved animal may participate in the Cooperative Agricultural Extension Fund (CAEF) for the purposes of obtaining funds for purchasing dairy equipment and processing equipment that promotes public health, including, but not limited to, equipment for pasteurizing, testing, and bottling milk.

In order to receive such funding, any such person must voluntarily:

- Obtain a certificate of completion of a safe milk handling course offered by the University of Tennessee agricultural extension service; and
- Agree to notify by email or text message all owners of hooved mammals that the person tends for the purpose of producing milk to be consumed or otherwise used by the hooved mammals' owners of any contamination outbreak that originated from milk produced by the hooved mammals and that is reported to the person by the Department of Health.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- According to the National Conference of State Legislatures (NCSL), the state of Texas has 11 dairies registered as unpasteurized milk dairy farms.
- According to the United States Census Bureau, the population of Texas as of July 1, 2018 is 28,701,845; Tennessee's population is 6,770,010.
- It is estimated that Tennessee will have three unpasteurized dairy farms in FY20-21 $[(6,770,010 / 28,701,845) \times 11]$ and one additional farm each year thereafter. The institutions to which these dairy farms will pay fees associated with completing the sanitation course, as well as the extent of any such course fee, is unknown. Given the relatively small number of dairy farms expected to engage in the business of unpasteurized products, it is assumed that any fee revenue to any particular institution offering the required sanitation course would be not significant.
- Pursuant to Tenn. Code Ann. § 49-50-103, \$160,000 in state funding is appropriated annually to the Cooperative Agricultural Extension Fund to be used to match and supplement allotments of federal appropriations available to the state for carrying on the

work under the federal *Smith-Lever Act*. It is assumed the extent of appropriations made to the Fund will not change.

- The Fiscal Review Committee staff does not have information regarding current expenditures from the Fund.
- It is assumed that the proposed legislation will not impact total state funding allocated to or disbursed from the Cooperative Agricultural Extension Fund. Therefore, any net impact to the Fund is estimated to be not significant.

CERTIFICATION:

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

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/jdb