

STORAGE NAME: h1131z.ag
DATE: May 4, 2000

****FAILED TO PASS THE LEGISLATURE****

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
AGRICULTURE
FINAL ANALYSIS**

BILL #: HB 1131
RELATING TO: Food Product Dating
SPONSOR(S): Representative Bloom
TIED BILL(S): None

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) AGRICULTURE
 - (2) BUSINESS REGULATION & CONSUMER AFFAIRS
 - (3) GOVERNMENTAL RULES & REGULATIONS
 - (4)
 - (5)
-

I. SUMMARY:

HB 1131 requires any retail food product sold in a container, with some exceptions, to display a conspicuous expiration date of its shelf life. The expiration date may be applied by the seller, wholesaler, vendor or retailer.

If passed, this legislation will have a substantial fiscal impact to state government. There is no proposed funding source. The fiscal impact to the private sector will also be considerable probably resulting in increased consumer prices.

HB 489 was not considered and, therefore, died in the Agriculture Committee.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|---|--|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

Less Government: This bill would require either sellers, wholesalers, vendors, or retailers to apply an expiration date to most food products offered for sale in the state.

Lower Taxes: The cost of implementing this legislation will ultimately be passed on to the consumer.

B. PRESENT SITUATION:

The Florida Department of Agriculture and Consumer Services (department) currently administers and enforces the Florida Food Safety Act (act). The act protects the public from "fraud, harm, adulteration, misbranding, or false advertising in the preparation, manufacture, or sale of articles of food." The act also prohibits the adulteration or misbranding of food and the alteration or destruction of labeling information which identifies the article's expiration date or similar date, date of manufacture, or manufacturing or distribution lot or branch, if such action occurs while the article of food is held for sale.

There is currently no federal or state law requiring grocery stores to put an expiration or "sell-by" date on food products sold in containers. However, most stores do put an expiration or "sell-by" date on many products to satisfy consumers and for internal inventory control. Fluid milk and milk products and baby formula are the only food products currently required to be labeled with the maximum shelf-life period for which they may be offered for sale.

C. EFFECT OF PROPOSED CHANGES:

Section 1: Requires any retail food product sold in a container to display a conspicuous "best if used by" or "sell by" date indicating the month, day, and year of the expiration of the shelf-life of the product; exempts fresh fruit and vegetables and items selling for less than 25 cents apiece; and, allows the expiration date to be applied by the seller, wholesaler, vendor, or retailer.

Section 2: Provides an effective date of October 1, 2000.

D. SECTION-BY-SECTION ANALYSIS:

Please refer to Section C. (Effects of Proposed Changes).

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

	Amount Year 1 <u>(FY 00-01)</u>	Amount Year 2 <u>(FY 01-02)</u>	Amount Year 3 <u>(FY 02-03)</u>
1. <u>Revenues:</u>			
None			
2. <u>Expenditures:</u>			
Department of Agriculture and Consumer Services			
Non-recurring Costs (GR):			
OCO:			
(7) professional/(1) clerical package @ \$2,000	\$ 16,000	-	-
(6) electronic scales & fat testers @ \$2,700	16,200	-	-
Other:			
(1) vehicle	<u>15,800</u>	-	-
Total Non-recurring Costs		<u>48,000</u>	
Recurring Costs (GR):			
Positions (distributed statewide)			
(1) FTE - 0093 Sr. Word Proc. System Operator (PG 12)	29,974	30,873	31,799
(6) FTE - 8888 Sanitation & Safety Specialist (PG 19)	238,278	245,426	252,789
(1) FTE - 8890 Sanitation & Safety Supervisor (PG 22)	45,966	47,345	48,765
Expenses			
(1) Support Staff Expense package @ \$7,350	7,350	7,350	7,350
(7) Professional Expense package @ \$5,925	41,475	41,475	41,475
Travel (mileage reimbursement for (6) specialists	<u>18,840</u>	<u>18,840</u>	<u>18,840</u>
Total Recurring Costs	<u>381,883</u>	<u>391,309</u>	<u>401,018</u>
Grand Total of Costs	<u>\$ 429,883</u>	<u>\$ 391,309</u>	<u>\$ 401,018</u>

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None

2. Expenditures:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

This legislation will have a substantial but unknown private sector cost due to the added requirement to show a sell by/use by date on labeling. The cost will increase if different labeling requirements are mandated by Florida than the rest of the nation. There will be undetermined overhead costs incurred by distributors and grocery stores in keeping products rotated and in managing inventories to avoid overstocking, with a risk of product expiration.

Also, since out-of-state manufacturers/processors/bottlers, etc. are themselves not required to include "use by" dates on labeling, Florida retailers will probably have to pay an added price for such information to be included.

Another cost to be absorbed by the retail food industry, assuming expired products must be removed from sale, is the probable need to discard food products due to their age when they are actually still safe and wholesome because of modern processing and storage controls.

Ultimately, all of these costs will be passed on to the consumer.

D. FISCAL COMMENTS:

This analysis provides for funding from General Revenue since there is no revenue source proposed in the bill. At this time, Chapter 500, F.S. (food law), has a maximum permit fee cap of \$350 per store. The fee has not been increased since 1992 and is not adequate to cover the current program. The department has over 39,000 food establishments to inspect for food safety. If this legislation passes, and is funded from the current trust fund without additional fees or inspectors, the frequency of food safety inspections per store will decrease, which could jeopardize public safety.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take action requiring the expenditure of funds.

STORAGE NAME: h1131z.ag

DATE: May 4, 2000

PAGE 5

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that municipalities or counties have to raise revenue in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce any state tax shared with counties or municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

N/A

B. RULE-MAKING AUTHORITY:

N/A

C. OTHER COMMENTS:

A representative of Perrier and the International Bottled Water Association (IBWA) expressed concern over this legislation suggesting that if the federal and state agencies, who regulate non-perishable items, don't see a need for this then why do it. Perrier and other members of the IBWA currently use internal coding to designate shelf-life on their products.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VII. SIGNATURES:

COMMITTEE ON AGRICULTURE:

Prepared by:

Debbi Kaiser

Staff Director:

Susan D. Reese

FINAL ANALYSIS PREPARED BY THE COMMITTEE ON AGRICULTURE:

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