

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 14, 2009

TO: Honorable Lois W. Kolkhorst, Chair, House Committee on Public Health

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: SB204 by Shapleigh (Relating to a prohibition of foods containing trans fat.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill requires a food service facility to maintain labels for any food or food additive that contains any fat as long as the food is used in the facility. The labels are to be made available during an inspection by the Department of State Health Services (DSHS) or local health departments.

The bill would prohibit a food service facility from using trans fats to prepare, package, store, serve, distribute, or use in food. The bill exempts packaged food served directly to a consumer in the original sealed package of the manufacturer and food with a nutritional facts label or other documentation from the manufacturer that indicates the food has 0.5 grams or less of trans fat. The bill exempts establishments that use trans fats to deep-fry yeast dough or cake batter. The bill exempts food service establishments that are not part of a chain with the same name or as a franchised outlet of the same parent company with 15 or more locations in this state. This section would take effect September 1, 2010.

Food service establishments that contract with a manufacturer or distributor to prepare wholly or partly food to be served by a food service establishment without the food's original packaging are exempt from this bill. This exemption expires when the contract between the food establishment and food manufacturer or distributor expires, excluding an extension provided on or after September 1, 2009 if the contract was executed before September 1, 2009; otherwise, the exemption expires August 31, 2011.

Except as listed above, the bill would take effect September 1, 2009.

It is estimated that DSHS can absorb any cost associated with implementing this bill within existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated. The bill is not anticipated to impact county health departments or public health districts that currently have a food service inspection program. The Texas Food Establishment Rules contain provisions that require the inspectors to review food labels, which would not be an additional requirement and could be done during a routine inspection.

Source Agencies: 537 State Health Services, Department of

LBB Staff: JOB, CL, BM, MB