

**REVISED FISCAL IMPACT STATEMENT ON BILL NO. H. 3987**

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TO: The Honorable Daniel B. "Danny" Verdin, III, Chairperson, Senate Agriculture and Natural Resources Committee  
FROM: State Budget Division, Budget and Control Board  
ANALYSTS: R.J. Stein  
DATE: March 10, 2014 SBD: 2014046

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AUTHOR: Representative Goldfinch PRIMARY CODE CITE: 39-25-20  
SUBJECT: Unlawful to Misrepresent Seafood Offered for Sale

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**ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:**

*A Cost to the General Fund (See Below)*

**ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:**

\$0 (No additional expenditures or savings are expected)

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**BILL SUMMARY:**

House Bill 3987 amends Sections 39-25-20 and -30 of the South Carolina Code of Laws, 1976, relating to misbranded foods for sale regulated under the SC Food and Cosmetic Act. The Bill adds definitions for "seafood" and "local seafood" and provides that retail and wholesale establishments are prohibited from knowingly mis-identifying seafood (by either its description or by its designation as "local") for sale to its patrons.

**EXPLANATION OF IMPACT:**

Department of Agriculture

The Department reports that it is currently mandated only to inspect food manufacturers; it does not regulate retail establishments such as those included in this Bill. The Department reports that the Bill does not specify the degree to which the Department is to "identify" seafood so as to determine if the seafood is mis-represented. In consultation with other states and other agencies that conduct food inspections in restaurants, the Department estimates that the Bill would require the agency to hire an additional 13.00 FTE positions (11 inspectors, 1 manager and 1 lab technician) to perform the statewide work needed to correctly identify suspect seafood to its species designation. The cost is estimated at roughly \$2,080,000 in the first year and *\$1,180,000* each year thereafter. (Annual costs include \$730,000 in salaries and fringes; \$350,000 in operating costs; *\$100,000 for DNA testing.*) Start-up costs include \$750,000 for equipment and *\$150,000* for retrofitting lab space.

**SPECIAL NOTES:**

*The italicized portion of this impact indicates the items that have been revised. For this impact, the revised constitutes information that was not available in the original impact.*

Approved by:



Brenda Hart  
Assistant Director, State Budget Division