

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6091

BILL NUMBER: HB 1056

NOTE PREPARED: Apr 18, 2005

BILL AMENDED: Apr 5, 2005

SUBJECT: Food Handler Exemption.

FIRST AUTHOR: Rep. Duncan

FIRST SPONSOR: Sen. Weatherwax

BILL STATUS: Enrolled

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill changes the food requirements for a food establishment to be exempt from being required to have a certified food handler. It also provides that a food establishment that is more than 10,000 square feet in retail sales space must have a certified food handler. The bill provides that the certified food handler requirements do not apply to food provided by an Area Agency on Aging's nutrition service program or by a food pantry. The bill also provides that certain nonprofit organizations are not required to use certified food handlers.

Effective Date: January 1, 2005 (retroactive).

Explanation of State Expenditures:

Explanation of State Revenues: (Revised) The bill revises the food requirements that would allow a food establishment to be exempt from the requirement to have a certified food handler. The bill adds food pantries that are operated by IRS-designated charities that distribute food to needy individuals to the list of entities that are exempt from the food handler requirements. The bill specifies that food banks or other facilities that distribute donated food to other organizations must comply with the food handler requirements. The bill also adds food provided by an Area Agency on Aging's nutrition service program to the list of entities to which the food handler requirements do not apply. This bill provides an exemption for certain nonprofit organizations from rules which become effective in 2005 requiring the use of certified food handlers. The impact to the state would be from the potential loss of monetary penalties for noncompliance which otherwise might be collected.

Background: Monetary penalties provided under the State Department of Health rules promulgated at 410 IAC 7-22-19 include fines that have a maximum penalty of up to \$100 per day for noncompliance. The certified food handler requirements become effective January 1, 2005. Consequently, no penalties have been assessed. Once implemented, any penalties will be deposited in the state General Fund.

Explanation of Local Expenditures: Local health officers are responsible for the enforcement of the certified food handler requirements. Enforcement actions may be one of two options. The local health officer may (1) furnish evidence to the local prosecutor or (2) file a report with the State Department of Health. This bill would exempt certain nonprofit organizations, relieving the local health officers from enforcement of the State Department of Health rules regarding the requirement for the presence of certified food handlers.

Explanation of Local Revenues:

State Agencies Affected: The State Department of Health.

Local Agencies Affected: Local health officers.

Information Sources: Zach Cattell, Legislative Liaison for the State Department of Health, (317) 233-2170.

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