OHIO LEGISLATIVE SERVICE COMMISSION

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Office of Research and Drafting

Legislative Budget Office

H.B. 10
136th General Assembly

Fiscal Note & Local Impact Statement

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Version: As Reported by Senate Agriculture and Natural Resources

Primary Sponsors: Reps. Klopfenstein and Daniels

Local Impact Statement Procedure Required: No

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Highlights

- The Department of Agriculture is likely to incur only minor costs, if any, for investigating complaints about misbranded meat and egg products. The Division of Food Safety oversees regulations that apply to food labeling.
- The bill includes civil penalties of up to $10,000 for each day a violation occurs. Any fine revenue collected under this penalty would be deposited into the GRF.
- There may be minimal administrative costs for the Ohio Department of Health (ODH) and the Ohio Department of Job and Family Services (ODJFS) to apply for a waiver from the U.S. Department of Agriculture (USDA) to exclude certain products from Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) and Supplemental Nutritional Assistance Program (SNAP) eligibility.

Detailed Analysis

Department of Agriculture

Division of Food Safety

The bill requires the Department of Agriculture (AGR) to investigate any complaint of improperly labeled imitation meat or eggs. According to AGR, this will result in little or no additional cost for the Division of Food Safety, which is responsible for overseeing state and federal regulations that apply to food products sold in Ohio. AGR tells LBO that there might be some additional staff time involved when following up on complaints of a misbranded product and embargoing a product the Department suspects is misbranded under the definitions of the bill. Embargoing involves marking the product and barring it from sale until testing can be done. Any product that is found to be misbranded must then be disposed of at the expense of the seller.

The bill will not necessarily affect inspections of food safety establishments, as the Department would not be required to determine whether a product is misbranded as a meat or egg product during these inspections. Finally, the bill limits AGR's enforcement authority by expressly prohibiting the Department from suspending or revoking a food processing establishment's registration for misbranding an imitation meat or egg product.

If the AGR Director finds it necessary, the Director may, upon written request, have the Attorney General issue civil penalties against the offending party. Under the bill, any person who violates the prohibition against misbranding imitation meat or egg products is subject to a civil penalty of up to $10,000 per day for each day a violation occurs. These penalties would be paid into the GRF.

Other agriculture-related law changes

The bill includes two other provisions which do not appear to have any significant fiscal effect on AGR's operations. First, it restores prior law that was eliminated by H.B. 96, the main operating budget act for the FY 2026-FY 2027 biennium and which allows trained service persons, immediate family members, and subordinate employees to apply restricted use pesticide when supervised by a licensed commercial applicator. The bill requires the Director of AGR to prescribe standards for training of applicators and requires the standards to be consistent with federal law. This change, because it reverts to prior law, does not have any fiscal effect. Secondly, the bill expands the allowable uses of the Animal and Consumer Protection Fund (Fund 5MS0), permitting receipts in the fund to be used to administer the law governing the Livestock Care Standards Board and the entirety of the law governing livestock dealers, rather than only specific purposes that were defined by H.B. 96.

Finally, the bill contains a change that affects apiary oversight functions carried out by counties. Specifically, it allows a board of county commissioners to hire multiple deputy apiarists, rather than only one, as in current law. If a county hires additional deputy apiarists, the county could incur additional payroll and fringe benefit costs for doing so.

SNAP and WIC waivers

The bill requires the directors of Health and Job and Family Services to each submit a waiver request to the U.S. Department of Agriculture (USDA) to exclude cultivated-protein food products from eligibility under the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) and Supplemental Nutritional Assistance Program (SNAP). However, the requirement applies only if the USDA approves those products for purchase under WIC or SNAP. There may be administrative costs for the Ohio Department of Health (ODH) or the Ohio Department of Job and Family Services (ODJFS) to compose the waiver if the USDA approves any of the aforementioned products.

Any other fiscal costs depend on (1) whether the USDA approves these products for purchase and (2) subsequently accepts either program waiver. If either waiver is accepted, there will be costs to update SNAP or WIC point-of-sale systems to account for the exception of these products. There would also be costs to notify SNAP and WIC recipients of the changes to the foods allowed to be purchased.

Policies to prevent the purchase of certain food products

The bill requires the Department of Education and Workforce (DEW) and each state institution of higher education and traditional and joint vocational school district to adopt a policy that prevents the purchase of a food that is either misbranded as a meat or egg product or is a cultivated-protein food product. It also exempts a state institution's use of these food products for research purposes. DEW and each state institution and school district may incur a minimal increase in administrative workload to create these policies. However, due to the apparent novelty of these food products, it is unlikely that there will be any cost for state institutions and school districts to be, generally, prohibited from purchasing them.