



VERMONT LEGISLATIVE  
**Joint Fiscal Office**

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## Fiscal Note

May 11, 2023

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### **S.115 – An act relating to miscellaneous agricultural subjects**

As passed by the General Assembly<sup>1</sup>

#### **Bill Summary**

**T**his bill makes multiple amendments to agricultural statutes:

- The Secretary of Agriculture, Food, and Markets would have the authority to quarantine animals that may have been exposed to biological or chemical agents that could make their milk or other products unsafe for human consumption.
- It would also modernize the requirements for the sale and marketing of eggs and update penalties to align with other department enforcement actions.
- It would increase the Agency of Agriculture, Food and Markets' maximum penalty in enforcement actions.

#### **Fiscal Impact**

Based on information provided by the Agency of Agriculture, Food and Markets, the fiscal impact of this bill is likely *de minimis*. This estimate assumes that maximum penalties imposed by the Agency of Agriculture, Food and Markets will continue to be limited to cases of extreme disregard for the rules and regulations of the Agency.

#### **Background and Details**

The following sections of the bill could have a fiscal impact.

##### **Section 5**

This section amends the penalties for egg producers who violate various consumer protection provisions of 6 V.S.A. Chapter 27. The current statute, adopted in 1974, outlines the following penalties:

- First offense: Not less than \$25 or more than \$100

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<sup>1</sup> <https://legislature.vermont.gov/Documents/2024/Docs/BILLS/S-0115/S-0115%20As%20Passed%20by%20Both%20House%20and%20Senate%20Official.pdf>

- Subsequent offenses: Not less than \$50 or more than \$500 per offense
- A person who obstructs or hinders the Secretary or assistants in enforcement actions would be fined in the same manner as what is outlined for subsequent offenses.

Proposed language would bring the penalties for violations in this chapter in line with penalties in other areas of Agency jurisdiction. The current maximum penalty for other areas is \$1,000 per offense, with a collective maximum of \$25,000. These penalties would be updated by the Section 6 of the bill.

**Given that there have not been any administrative penalties imposed on egg producers since 2016, JFO estimates this section will have no impact on State Special Fund revenues in fiscal year 2024.**

### Section 6

Section 6 increases the maximum administrative penalty across the various enforcement jurisdictions of the Agency of Agriculture, Food, and Markets from \$1,000 to \$5,000 for each violation, and the collective maximum from \$25,000 to \$50,000. Note that these changes apply to maximum penalties only – the exact amount of each penalty imposed is at the Secretary’s discretion.

**JFO estimates there could be a *de minimis* impact on Special Fund revenues in fiscal year 2024 due to these changes.** This estimate assumes that the rate of administrative penalty revenue collected, and the rate of maximum penalties imposed, stays constant with data supplied for fiscal years 2020 and 2021.

Information provided by the Agency of Agriculture, Food and Markets outlined the amounts of administrative penalties imposed in fiscal years 2020 and 2021.<sup>2</sup> These funds are deposited in special funds connected to respective enforcement programs. Overall revenue collected through these penalties is relatively small.

In fiscal year 2020, the Agency collected \$193,015 in administrative penalties from 49 payments. Approximately 90% of the penalty amount came from violations enforced by the Weights and Measures section of the Agency.<sup>3</sup> However, these penalties were mostly small: 21 of the 34 Weights and Measures penalties were \$5,000 or less. Only 4 exceeded \$10,000. 15 payments came from other enforcement areas, including meat inspection, water quality (farm runoff), dairy, seed and fertilizer, and pesticides. Those payments ranged from \$25 to \$5,200.

In fiscal year 2021, the Agency collected \$212,223 in administrative penalties from 65 payments. As in fiscal year 2020, most of these penalties were relatively small. Only 5 exceeded \$10,000 and 47 payments were less than \$2,000.

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<sup>2</sup> Note: these figures only include administrative penalties collected by the Agency and do not reflect civil penalties administered by the Attorney General.

<sup>3</sup> The Weights and Measures section “coordinates inspection and testing of devices and products in commerce, such as scales, gas pumps, heating oil and propane delivery truck meters, scanners used in retail stores, and firewood.”