

Fiscal Impact Statement for Initiative 522

The initiative authorizes the Washington State Department of Health to adopt rules necessary to implement the initiative. Beginning July 1, 2015, the initiative allows the Department of Health, through the Attorney General, to bring an action to enjoin violations of the initiative's requirement that most raw agricultural commodities, processed foods, seeds and seed stocks, if produced using genetic engineering, be labeled as genetically engineered when offered for retail sale. Known state agency implementation costs are estimated at \$3,368,000 over six fiscal years. State and local revenue and costs from enforcement activities are indeterminate.

General Assumptions

- The fiscal estimates contained in this fiscal impact statement are based, in part, on assumptions about the scope and legal effect of the ballot measure should it be enacted by the voters. Such assumptions are not intended to represent legal interpretation or conclusions of law.
- The initiative is effective Dec. 5, 2013. However, the initiative's labeling requirements begin July 1, 2015.
- Estimates are described using the state's fiscal year (FY) of July 1 through June 30.

State Revenue Assumptions

The initiative would allow the Department of Health (DOH) to assess a civil penalty against any person violating the requirements of the initiative in an amount not to exceed one thousand dollars (\$1,000) per day. Additional state revenue could be generated from filing fees for civil actions filed in county superior courts to enforce the initiative's requirements. As provided in RCW 36.18.025, 46 percent of county superior court filing fees must be remitted to the State Treasurer for deposit in the state general fund and 54 percent of fees remain with the county. There are no data to estimate the annual number of civil actions or civil penalties that may be generated. Therefore, the state revenue impact from the initiative is indeterminate.

State Expenditure and Cost Assumptions

DOH program development will include expenditures for rule making, inspection and compliance, as well as education and technical assistance to the food industry. The cost of these expenditures over six fiscal years is estimated at \$2,168,000. Beginning July 1, 2015, DOH will contract with a private laboratory for product sampling and testing as required in the initiative. Total cost of this expenditure over six fiscal years is estimated at \$1,200,000. The following table shows DOH estimated costs by fiscal year:

Fiscal Year	2014	2015	2016	2017	2018	2019	COSTS
Program Development	\$82,000	\$96,000	\$210,000	\$210,000	\$210,000	\$210,000	\$1,018,000
Rule Development	\$96,000	\$122,000	\$0	\$0	\$0	\$0	\$218,000
Compliance and Enforcement	\$0	\$0	\$239,000	\$231,000	\$231,000	\$231,000	\$932,000
Laboratory Sampling and Testing	\$0	\$0	\$300,000	\$300,000	\$300,000	\$300,000	\$1,200,000
TOTAL	\$178,000	\$218,000	\$749,000	\$741,000	\$741,000	\$741,000	\$3,368,000

Local Revenue, Expenditure and Cost Assumptions

Counties may experience increased revenue, expenditures and costs from civil actions filed in county superior courts to enforce the initiative's requirements. There are no data to estimate the annual

number of civil actions that may occur. Therefore, the fiscal impact on counties from the initiative is indeterminate.