

changes could increase revenues by \$500.0, annually. The agency did not provide a projection of potential revenue generated from a hypothetical fee increase.

Livestock Inspection Revenues. According to the agency analysis, the Livestock Board's expenditures are outpacing revenues. The current funding system (industry support) does not support the current inspection system. As a result, the board increased its inspection fees and service charges for cattle, sheep and swine on July 1, 2001. The agency projections indicate these changes could generate additional revenue of \$540.1.

Meat Inspection Revenues. Revenues, comprised of license fees placed on fresh meat dealers, butchers and slaughterhouses, for the Meat Inspection Division have declined. These fees have not increased since 1977 because of statutory limits. Consequently, the general fund supports the division at an increasing rate. The table below identifies the caps on license fees by category.

Category	Federal Limit	State Limit	HB42 proposed
Butcher	\$100	\$25	\$100
Slaughterer	\$100	\$25	\$100
Dealer of fresh meat products	\$100	\$10	100

MFV/ar
Attachment