

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0178-08  
Bill No.: SCS for SB 113 & 95  
Subject: Agriculture and Animals; Agriculture Department; Business and Commerce  
Type: Original  
Date: February 10, 2011

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Bill Summary: This proposal modifies the Puppy Mill Cruelty Prevention Act.

**FISCAL SUMMARY**

| <b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>       |                  |                  |                  |
|---|------------------|------------------|------------------|
| FUND AFFECTED   | FY 2012          | FY 2013          | FY 2014          |
| General Revenue   | \$295,948        | \$443,922        | \$443,922        |
|   |                  |                  |                  |
| <b>Total Estimated Net Effect on General Revenue Fund</b> | <b>\$295,948</b> | <b>\$443,922</b> | <b>\$443,922</b> |

| <b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>              |            |            |            |
|---|------------|------------|------------|
| FUND AFFECTED   | FY 2012    | FY 2013    | FY 2014    |
|   |            |            |            |
|   |            |            |            |
| <b>Total Estimated Net Effect on <u>Other</u> State Funds</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 7 pages.

| <b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>                  |                |                |                |
|---|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>  | <b>FY 2012</b> | <b>FY 2013</b> | <b>FY 2014</b> |
|   |                |                |                |
|   |                |                |                |
| <b>Total Estimated Net Effect on <u>All</u> Federal Funds</b> | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     |

| <b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b> |                |                |                |
|---|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>                                      | <b>FY 2012</b> | <b>FY 2013</b> | <b>FY 2014</b> |
| General Revenue   | (5 FTE)        | (5 FTE)        | (5 FTE)        |
|   |                |                |                |
| <b>Total Estimated Net Effect on FTE*</b>                 | <b>(5 FTE)</b> | <b>(5 FTE)</b> | <b>(5 FTE)</b> |

\* Note: The fiscal note is showing the cost avoidance of 5 FTE

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

| <b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b> |                |                |                |
|--|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>                       | <b>FY 2012</b> | <b>FY 2013</b> | <b>FY 2014</b> |
| <b>Local Government</b>                    | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     |

## FISCAL ANALYSIS

### ASSUMPTION

Officials at the **Department of Agriculture (AGR)** state the requirements of this proposed legislation would mandate that the department follow up on any violations deemed to be of a serious nature and then prepare a legal referral to the prosecuting attorney or revoke the license of the facility. The current mandate is once per year or upon complaint.

AGR states three additional Animal Health Officers responsible for the enforcement of the proposed legislation would be required for preparing investigations of alleged violations of the proposed legislation. The additional Animal Health Officers would work with program participants, general public; inspect commercial breeders, pet shops, kennels, animal shelters, and related facilities for proper licensure and compliance with animal care statutes and regulations.

AGR states inspections are currently done on 1,390 commercial breeders and 1,341 other dog related facilities. Twelve Animal Health Officers currently inspect all of these facilities. In FY10, prior to the passage of Proposition B (2010), 789 inspections resulted in violations of Missouri law. After the passage of Proposition B, AGR estimates 1,219 dog related facilities would be subject to penalty as that is the current number of registered breeders with more than ten intact female dogs.

**Oversight** assumes since the Department of Agriculture (AGR) already inspects all dog related facilities, therefore they would not need three additional Animal Health Officers. If AGR experiences a measurable increase in its workload as a direct result of this proposal then it can request additional FTE in future budget requests.

ASSUMPTION (Continued)

**Oversight** assumes the estimated costs of implementing Section 273.345 RSMo. (Proposition B, 2010) that were submitted to the State Auditor, in December of 2009, were as follows.

|  |           |
|--|-----------|
| 7.00 Animal Health Officers (AHO) * \$35,000 average annual salary = | \$245,000 |
| 1.00 Office Support Assistant  | \$28,789  |
|  | -----     |
| Total Personal Services  | \$273,789 |
| <br>   |           |
| Travel, In-state (7.00 AHO)  | \$49,000  |
| Supplies (7.00 AHO)  | \$7,000   |
| Communication Services (8.00 FTE)                                    | \$4,000   |
| M&R Services (7.00 AHO)  | \$5,250   |
| Motorized Equipment (7.00 AH)  | \$124,943 |
| Laptops and Printers (8.00 FTE)                                      | \$12,704  |
| Miscellaneous Expenses (8.00 FTE)                                    | \$6,000   |
|  | -----     |
| Total Expense & Equipment  | \$208,897 |
| Grand Total Annual Program Costs (excl. fringe benefits)             | \$482,686 |

This proposed legislation will cost avoid 5 of the original FTE requested by the Department of Agriculture for Proposition B. **Oversight** has calculated the fringe rate on the 5 FTE listed by the Department of Agriculture to be \$152,520. Oversight assumes that the passage of this proposed legislation will result in a cost avoidance of \$443,922.

**Oversight** assumes that Section 273.345 becomes effective November 2, 2011. For the purpose of the fiscal note Oversight has shown the costs for 8 months in FY12.

**Oversight** notes the Department of Agriculture did not request these FTE in their FY12 budget request nor did the Governor include the additional FTE in the FY12 Governor's recommended budget for the Department of Agriculture.

ASSUMPTION (Continued)

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials at the **Office of the Attorney General** assumes that any potential costs arising from this proposal can be absorbed with existing resources.

Officials at the **Office of Prosecution Services, State Public Defender's Office, Office of State Courts Administrator** assumes there is no fiscal impact from this proposed legislation.

| <u>FISCAL IMPACT - State Government</u>                                   | FY 2012<br>(8 Mo.)          | FY 2013                     | FY 2014                     |
|---|-----------------------------|-----------------------------|-----------------------------|
| <b>GENERAL REVENUE FUND</b>   |                             |                             |                             |
| <u>Cost Avoidance - Dept. of Agriculture</u>                              |                             |                             |                             |
| Personal Service  | \$112,526                   | \$168,789                   | \$168,789                   |
| Fringe Benefits   | \$101,680                   | \$152,520                   | \$152,520                   |
| Equipment & Expense   | <u>\$81,742</u>             | <u>\$122,613</u>            | <u>\$122,613</u>            |
| <u>Total Cost Avoidance - AGR</u>   | <u>\$295,948</u>            | <u>\$443,922</u>            | <u>\$443,922</u>            |
| FTE Change - AGR  | (5 FTE)                     | (5 FTE)                     | (5 FTE)                     |
| <br><b>ESTIMATED NET EFFECT ON<br/>GENERAL REVENUE FUND</b>               | <br><b><u>\$295,948</u></b> | <br><b><u>\$443,922</u></b> | <br><b><u>\$443,922</u></b> |
| <br>Estimated Net FTE Change for General<br>Revenue Fund (Cost Avoidance) | <br>(5 FTE)                 | <br>(5 FTE)                 | <br>(5 FTE)                 |
| <br><u>FISCAL IMPACT - Local Government</u>                               |                             |                             |                             |
|   | FY 2012<br>(8 Mo.)          | FY 2013                     | FY 2014                     |
|   | <u>\$0</u>                  | <u>\$0</u>                  | <u>\$0</u>                  |

FISCAL IMPACT - Small Business

Direct fiscal impact to small commercial dog breeders, pet shops, kennels, animal shelters, and related facilities would be expected as a result of this proposal.

FISCAL DESCRIPTION

This act modifies the Puppy Mill Cruelty Prevention Act. Current law prohibits anyone from having more than 50 dogs when the purpose is to breed them and sell the resulting puppies. The act removes this prohibition.

The act modifies many of the act's definitions.

FISCAL DESCRIPTION (Continued)

Under current law, anyone subject to the act's provisions who violates the act commits the crime of puppy mill cruelty, which is a class C misdemeanor. The act gives breeders who are properly licensed a grace period of between 30 and 180 days in which to correct serious violations of the act before being charged with the crime. The act also requires the Department of Agriculture to conduct two follow-up inspections on any properly licensed breeder who is found to have committed a serious violation of the act. The department may revoke the commercial breeder's license of a breeder who fails to correct a serious violation after the second inspection.

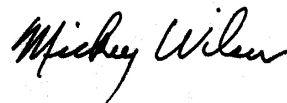
The act contains an emergency clause.

This proposed legislation appears to have a cost avoidance.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Agriculture  
State Public Defender's Office  
Office of the Attorney General  
Office of Prosecution Services  
Office of State Courts Administrator  
Office of Secretary of State



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Director  
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