

# Fiscal Note & Local Impact Statement

127<sup>th</sup> General Assembly of Ohio

Ohio Legislative Service Commission  
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BILL: **Am. H.B. 352** DATE: **April 23, 2008**  
 STATUS: **As Enacted – Effective August 6, 2008** SPONSOR: **Rep. Patton**  
 LOCAL IMPACT STATEMENT REQUIRED: **No — No local cost**  
 CONTENTS: **To include alpacas and llamas in certain statutory definitions of "agricultural animal" and "livestock"**

## State Fiscal Highlights

STATE FUND	FY 2009	FY 2010	FUTURE YEARS
<b>General Revenue Fund</b>			
Revenues	- 0 -	Potential gain in livestock dealer license fees	Potential gain in livestock dealer license fees
Expenditures	- 0 -	Potential increase in administrative costs for permit processing	Potential increase in administrative costs for permit processing
<b>Livestock Management Program Fund (Fund 5L8)</b>			
Revenues	- 0 -	Potential gain in concentrated animal feeding facility permit fees	Potential gain in concentrated animal feeding facility permit fees
Expenditures	- 0 -	- 0 -	- 0 -
<b>Brand Registration Fund (Fund 588)</b>			
Revenues	- 0 -	Potential negligible gain in brand registration fees	Potential negligible gain in brand registration fees
Expenditures	- 0 -	- 0 -	- 0 -

Note: The state fiscal year is July 1 through June 30. For example, FY 2009 is July 1, 2008 – June 30, 2009.

- **Livestock exhibition subsidies.** The bill includes alpacas and llamas among the animals for which livestock associations are eligible to receive subsidies for exhibitions at the state fairgrounds. This could mean that the amounts of financial assistance that the Department of Agriculture distributes to these associations would be smaller. The FY 2008-FY 2009 budget provides \$62,500 in GRF appropriations each year for this purpose.
- **Concentrated animal feeding facilities.** The bill requires alpaca and llama farms to be permitted under the Department of Agriculture's Livestock Environmental Permitting Program (LEPP), which regulates concentrated animal feeding facilities. There could be some increased costs for permitting these facilities, as well as some new permit revenue. These activities are supported by the GRF and the Livestock Management Fund (Fund 5L8).



- **Dealer and livestock brand registration.** The bill requires alpaca and llama dealers and brokers to obtain licenses required of other livestock dealers and brokers. Dealer and broker licensing revenue is deposited in the GRF. The bill also requires the registration of any new livestock brands. Whenever a new breed is registered, the fees are deposited into the Brand Registration Fund (Fund 588).

## *Local Fiscal Highlights*

- No direct fiscal effect on political subdivisions.
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## *Detailed Fiscal Analysis*

The bill includes alpacas and llamas in the laws governing financial assistance for livestock exhibitions at the state fairgrounds, livestock exhibitions, concentrated animal feeding facilities, licensure of livestock dealers, and registration of livestock brands. According to the Ohio Alpaca Breeders Association, there are approximately 983 alpaca farms in Ohio and approximately 18,000 alpacas. The International Llama Registry reports that there are 8,574 registered llamas in Ohio and 1,162 owners.

### **Financial assistance for livestock exhibitions**

The bill would qualify nonprofit alpaca and llama livestock associations for subsidies that the Department of Agriculture may give to statewide, multi-state, or national nonprofit livestock groups to defray the cost of rental space for exhibiting these animals at the Ohio Expositions Center. The FY 2008-FY 2009 budget provides GRF funding of \$62,500 for this purpose in each fiscal year. According to the Exposition Center web site, rental rates for livestock are \$12 per head, per show for cattle, and \$10 per head, per show for goats, sheep, and swine. By including alpacas and llamas in the definition of livestock, this may result in some livestock associations receiving smaller subsidies to exhibit, but would not result in additional costs for the Department of Agriculture.

### **Concentrated animal feeding facilities**

The Department of Agriculture requires that operators of concentrated animal feeding facilities first be issued a Permit to Install (PTI) and a Permit to Operate (PTO) under the Livestock Environmental Permitting Program (LEPP). Including alpaca and llama operations among the facilities that must be permitted could result in a greater number of permits issued, although it is likely that alpaca and llama farmers could operate under existing general permits. Any additional departmental costs and revenue would depend on the number of farms that would need to be permitted. This permitting function is funded by GRF line item 700-418, Livestock Regulation Program, appropriated at \$1,429,496 in both FY 2008 and FY 2009, and line item 700-604, Livestock Management Program (Fund 5L8), with an appropriation of \$30,000 in each fiscal year.

### **Licensure of dealers and registration of livestock brands**

The bill would also require alpaca and llama dealers and brokers to obtain licenses required of other livestock dealers and brokers and issued by the Department of Agriculture. These license fees are deposited in the GRF. The fees for these licenses are \$10, \$25, or \$50, depending on the headage of animals being sold. While there are 983 alpaca farms in Ohio and 1,162 llama owners, some of those individuals may currently be licensed dealers for other animals, meaning no additional license would be necessary. Any additional revenue would be derived only from individuals dealing solely with llamas or alpacas.

### **Brand registration**

Any new fee revenue for the registration of llama and alpaca brands would be deposited in the Brand Registration Fund (Fund 588). Because it is uncommon for new brands to be registered and the amounts collected would be so small, this fund is only used on an as needed basis.

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