



# Ohio Legislative Service Commission

*Terry Steele*

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## Fiscal Note & Local Impact Statement

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**Bill:** [Sub. H.B. 410 of the 128th G.A.](#)

**Date:** June 1, 2010

**Status:** As Introduced

**Sponsor:** Rep. Okey

**Local Impact Statement Procedure Required:** No — No local cost

**Contents:** Gives the Department of Agriculture authority to regulate commercial deer propagators and commercial deer hunting preserve operators

### State Fiscal Highlights

- The bill gives the Department of Agriculture authority to regulate commercial deer propagators and commercial deer hunting preserve operators and creates an annual license fee established by rule for such operators. The receipts would be deposited into the Monitored Captive Deer Fund created by the bill.
- The bill would reduce some regulatory costs for the Department of Natural Resources, which currently issues licenses for commercial deer propagators and commercial deer hunting preserves. Under the bill, the Department maintains regulatory authority for all non
- commercial captive deer propagators. The net effect of these changes is a loss of license revenue deposited into the Wildlife Conservation Fund (Fund 7015).
- The bill requires the Animal Disease Diagnostic Laboratory (ADDL), housed within the Department of Agriculture's Animal Industry Division, to conduct chronic wasting disease tests on commercial deer. This could increase operating costs for ADDL, which is supported by the GRF and testing fees deposited into the Consumer Analytical Lab Fund (Fund 6520).

### Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

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## Detailed Fiscal Analysis

### Overview

The bill transfers the authority to regulate and license commercial deer from the Department of Natural Resources (DNR) to the Department of Agriculture (AGR). The As a result, AGR would be responsible for licensing these entities as well as inspecting the premises of licensees and testing commercial deer for various diseases. The bill then creates the Monitored Captive Deer Fund within AGR to collect all license revenues and pay all costs associated with these new responsibilities. Conversely, the bill reduces DNR's costs as that agency would no longer be responsible for licensing commercial deer. DNR would, however, maintain authority to regulate noncommercial deer. The fiscal effects of these changes on both AGR and DNR are described in detail below.

### Propagating licenses

Under current law, DNR has authority to license and regulate commercial and noncommercial deer propagators. The bill changes this by assigning the responsibility for licensing and regulating commercial deer to AGR. The license income is to be set by rule and deposited into the Monitored Captive Deer Fund established by the bill.

Under current law, commercial deer propagators pay an annual fee to DNR of \$40 per year. In FY 2009, DNR issued 500 commercial propagator licenses. These fees were paid into the Wildlife Conservation Fund (Fund 7015). If the responsibility for licensing commercial deer were transferred to AGR, this means that DNR could expect a loss in revenue from commercial licenses. However, there would be a corresponding decrease in DNR's operating costs.

### Propagating license testing

Under the bill, AGR's Animal Disease Diagnostic Laboratory (ADDL) is required to conduct additional testing on the commercial deer population. Specifically, the bill requires commercial deer propagators to submit animal tissue from 10% of all of the licensee's commercial deer that are 12 months of age or older and that have died or 30 such deer, whichever is less, for chronic wasting disease testing. If the results of the testing indicate that a commercial deer has chronic wasting disease, the Director must take appropriate actions as provided in the Animal Diseases Law. ADDL conducted approximately 1,600 chronic wasting disease tests in calendar year 2008. Assuming that most of the 500 commercial propagators renewed their licenses with the Department and submitted the required tissue samples for testing, the number of chronic wasting disease tests conducted by ADDL would increase substantially. The fee for a chronic wasting disease test is typically \$35. The test takes approximately three days to complete.

ADDL is housed within AGR's Animal Industry Division and is funded by the GRF (\$3.7 million in each fiscal year of the FY 2010-FY 2011 biennium to support the Division and ADDL) and testing fees deposited into the Animal and Consumer Analytical Lab Fund (Fund 6520), which supports both ADDL and the Consumer Analytical Lab. The appropriation from the latter fund was \$4.4 million in each fiscal year of the FY 2010-FY 2011 biennium. The bill does not specify that the licensees must pay for these tests. If not, a portion of the commercial propagator's fee deposited into the Monitored Captive Deer Fund would presumably be used to pay for these testing costs.

### **Hunting preserve licenses**

The bill also gives AGR authority to regulate deer hunting preserves and establishes an annual license fee established by rule for commercial deer hunting preserve operators. The money collected from the fee would be credited to the Monitored Captive Deer Fund. DNR currently charges \$300 per year for a hunting preserve license, and issued 27 hunting preserve licenses in FY 2009. These fees were paid into the Wildlife Conservation Fund (Fund 7015). Assuming the same number of commercial deer hunting preserve operators apply for a license under the AGR program, the anticipated revenue from this source would be approximately \$8,100.

### **Enforcement actions**

The bill gives AGR authority to inspect and conduct investigations on the premises of licensed commercial deer propagators and commercial deer hunting preserve operators. This authority includes requiring corrective actions and, under certain conditions, imposing civil penalties on operators who are not in compliance with the requirements of the bill. The bill requires that the civil penalties be established by rule. The proceeds of any civil penalties imposed are to be deposited into the Monitored Captive Deer Fund.