



# Ohio Legislative Service Commission

*Revised*

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## Fiscal Note & Local Impact Statement

**Bill:** Sub. H.B. 414 of the 128th G.A.      **Date:** March 9, 2010  
**Status:** As Reported by House Agriculture & Natural Resources      **Sponsor:** Reps. Sayre and Bolon

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

**Contents:** Establishes the Ohio Livestock Care Standards Board pursuant to the Ohio Constitution

### State Fiscal Highlights

STATE FUND	FY 2010	FY 2011	FUTURE YEARS
<b>Various Funds – Department of Agriculture</b>			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	- 0 -	Transfers out to Fund 5HP0 subject to Controlling Board approval	- 0 -
<b>Ohio Livestock Care Standards Fund (New Fund – Fund 5HP0)</b>			
Revenues	- 0 -	Transfers in from other funds subject to Controlling Board approval	Potential gain in civil penalties and donations for advancement of livestock care
		Potential gain in civil penalties and donations for advancement of livestock care	
Expenditures	- 0 -	Increase for livestock care standards oversight	Increase for livestock care standards oversight

Note: The state fiscal year is July 1 through June 30. For example, FY 2010 is July 1, 2009 – June 30, 2010.

- The bill establishes the Ohio Livestock Care Standards Fund, designated as Fund 5HP0 in the state's accounting system, to pay all expenses related to the Ohio Livestock Care Standards Board. This would include the salary for an executive director and staff, operating costs involved with enforcement of livestock care standards, board member reimbursement, and other expenses.
- To provide the initial operating capital for the Ohio Livestock Care Standards Board until the General Assembly appropriates funding, the bill requires the Director of Agriculture to identify cash amounts to transfer from various funds in the Department of Agriculture budget to Fund 5HP0 and requires the Controlling Board to approve these transfers. Presumably, this would occur in FY 2011.

## **Local Fiscal Highlights**

- The bill gives the Licking County Court of Common Pleas, or the county court of common pleas in the county where a violation of the bill has occurred, primary jurisdiction over these matters. Any impact on these courts would depend on the number of new cases heard as a result of the bill.
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## **Detailed Fiscal Analysis**

### **Overview**

Issue 2, a proposal to amend the Ohio Constitution to create the Ohio Livestock Care Standards Board, was approved by voters in November 2009. This implementing legislation sets out the composition of the 13-member Board, and specifies its duties and those of the Director of Agriculture in overseeing livestock care. Specifically, the bill requires the Board to develop policies concerning livestock care best practices, biosecurity, animal disease prevention, and food safety, among other factors. The bill also gives the Board enforcement authority by allowing Department of Agriculture staff to enter at reasonable times on public or private property to inspect or investigate, obtain samples, and examine or copy records to determine compliance with the bill. Finally, the bill creates an initial funding mechanism requiring the transfer of cash from various funds in the Department of Agriculture budget to pay for the Board's operating expenses.

### **Ohio Livestock Care Standards Fund**

The bill creates the Ohio Livestock Care Standards Fund (Fund 5HP0) as the source of operating income for the Ohio Livestock Care Standards Board. To provide initial operating capital for the Board to conduct its duties, the bill requires the Director of Agriculture to identify cash in other funds within the Department of Agriculture's budget that can be transferred to Fund 5HP0, and requires these transfers to be approved by the Controlling Board. Fund 5HP0 would also receive the proceeds from civil penalties that the Board levies for violations of livestock care standards or guidelines it sets, as well as amounts that are donated to the fund for the advancement of livestock care.

### **Ohio Livestock Care Standards Board expenses**

The Ohio Livestock Care Standards Board will incur new costs for salaries, board member reimbursements, and service contracts related to the oversight of livestock care standards. Chief among the expenses for new personnel would be those for a new executive director who would manage the day-to-day operations of the Board. According to the Department of Administrative Services current pay range classification booklet, the hourly wage for an Executive Director 1 ranges from \$17.89 to \$41.14. Assuming this is a full-time position (2,080 hours annually) at an hourly wage

of \$41.14, the annual pay for this position would be \$85,571. Adding \$25,671 (30%) for fringe benefits expenses brings the annual payroll cost for this position to \$111,242. However, it could be that this person is hired in at a lower pay range. In addition, the Department anticipates that a Livestock Inspector from the Division of Animal Industry and an Agriculture Enforcement Agent from the Enforcement Division would assist the Board on an as-needed basis. The payroll costs for these hours would presumably be charged to the Board on a prorated basis. Finally, in addition to payroll there could be some new costs for office space, equipment, and supplies. The cost for these items would depend largely on what existing Department of Agriculture resources the Board could borrow or what would have to be bought new.

### **Legal jurisdiction**

If the Director of Agriculture seeks injunctive relief or other legal action against a person who violates provisions of the bill or rules adopted under it, the bill gives the Licking County Court of Common Pleas or the court of common pleas where the violation has occurred jurisdiction over these matters. The fiscal effect of this provision largely depends on both the scope of the rules established by the Ohio Livestock Care Standards Board and the number of violations that result in legal action.

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