



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: [H.B. 570 of the 128th G.A.](#)

Date: October 5, 2010

Status: As Introduced

Sponsor: Rep. Grossman

Local Impact Statement Procedure Required: Yes

Contents: Establishes standards of care for commercial dog breeding kennels and requirements governing the sale of dogs

State Fiscal Highlights

- The Attorney General and the Department of Agriculture could incur new GRF and non-GRF expenses if these state offices are involved in investigating violations specified in the bill. Presumably, these agencies would be involved in the more serious investigations undertaken as a result of the bill.
- The bill establishes the Commercial Dog Breeder Enforcement Fund, a custodial account administered by the Treasurer of State. The fund is to consist of civil penalties collected under the bill and is to be used to offset any investigatory costs incurred by state and local agencies. Reimbursements must be approved by the Director of Agriculture and may only be made for investigations that result in the collection of civil penalties.

Local Fiscal Highlights

- County dog wardens, humane society agents, and other specified public health and safety officials could incur new expenses for investigating complaints against commercial dog breeding kennel operations. These expenses would vary depending on the severity of the cases investigated. According to the Department of Taxation, there are 11,000 commercial dog kennels registered statewide as of May 2010.
- If these investigations result in the imposition of civil penalties under the bill, these authorities could seek to have the cost of the investigations reimbursed from the state Commercial Dog Breeder Enforcement Fund. If the investigations do not result in civil penalties, these local authorities would bear the entire cost of the investigations.
- The bill also establishes various criminal penalties, ranging from fifth degree felonies to minor misdemeanors, as well as penalties under the Consumer Sales Practices Act, for other specified violations. As a result, local law enforcement

agencies and courts of common pleas could incur some new court costs, some of which would be offset by fine revenue and court costs collected with these cases.

Detailed Fiscal Analysis

Overview

The bill establishes standards of care for commercial dog breeding kennels and establishes requirements governing the sale of dogs. The bill requires state and local inspectors to investigate dog breeding kennels upon receiving complaints of alleged violations, but also allows these jurisdictions to carry out inspections on their own initiative. The bill also establishes a state custodial fund administered by the Treasurer of State that is to be used to reimburse state and local authorities for the cost of these investigations, but only if they result in the imposition of civil penalties. Ultimately, the net additional cost created by the bill will largely depend on the number of investigations that result in civil penalties and the number that do not.

For previous research on the issue of dog kennel licensure, LSC and the County Auditors Association of Ohio (CAAO) conducted a survey of county auditors in an effort to obtain data on dog kennel registrations. Out of Ohio's 88 counties, 57 responded to the survey with the number of registrations they processed in 2008, and 65 responded with their kennel registration fee. The average county responding to the survey registered 160 dog kennels in 2008. Overall, according to income tax records from the Department of Taxation, as of May 2010 there are approximately 11,000 kennels registered statewide.

Investigations of alleged violations at dog breeding kennels

The bill requires designated state and local officials to investigate alleged violations concerning the standards of care established in the bill. At the state level, these officials include the Attorney General, the Director of the Department of Agriculture, and the State Veterinarian. At the local level, these officials include county dog wardens, humane society agents, and public health and safety officials. The bill requires that alleged violations be investigated upon receiving a complaint, but also allows the designated authorities to investigate violations on their own initiative. Presumably, most investigations that occur would be conducted by local officials, but the Office of the Attorney General and the Department of Agriculture could also incur some costs if they are involved in these cases. However, both state and local authorities could apply for reimbursement of their expenses from the Commercial Dog Breeder Enforcement Fund.

Reimbursement of inspection costs

The bill creates the Commercial Dog Breeder Enforcement Fund, a custodial fund in the Treasurer of State's Office, to compensate state and local officials for the cost of investigations that result in civil penalties against commercial dog breeding kennel operators. The fund is to consist of these penalties, ranging from not more than \$500 for a first offense to not more than \$5,000 for any subsequent offense. Requests for reimbursement must be submitted to and approved by the Department of Agriculture. Upon approval, the Treasurer of State is required to disburse the money to the investigating entity. In cases that do not result in civil penalties, however, the state or political subdivisions will bear the entire cost of these investigations.

Offenses

In addition to the civil penalties described above, the bill creates a series of offenses related to other specified violations. These offenses and the penalties and maximum fines associated with them are summarized in the table below.

Violations Created by the Bill and Associated Penalties			
Violation	Penalty	Sentence	Fine
Standards of care violations	M2	Three months	\$750
Subsequent standards of care violations	M1	Six months	\$1,000
Standards of care violations (more than three in a five-year period)	F5	Twelve months	\$2,500
Selling of dogs at auctions	F5	Twelve months	\$2,500
Offering of dogs for human consumption	MM	None	\$150

The bill also subjects sellers to specific recordkeeping and disclosure requirements related to the sale of dogs. Violations of these requirements can subject the seller to prosecution under the Consumer Sales Practices Act. Finally, the bill specifies that any other violations established in the bill for which a penalty is not specified are to be considered second degree misdemeanors. All of these penalty provisions could result in additional investigation, prosecution, and adjudication expenses for law enforcement authorities and courts of common pleas. However, some of the court expenses would be offset by court cost and fine revenue retained by the courts. The state could also gain a negligible amount of state court cost revenue. These receipts would be deposited into the Indigent Defense Support Fund (Fund 5DYO), which receives \$20 per misdemeanor case, and the Victims of Crime/Reparations Fund (Fund 4020), which receives \$9 per misdemeanor case.