



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: S.B. 225 of the 128th G.A. **Date:** February 2, 2010
Status: As Introduced **Sponsor:** Sen. Gibbs

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

STATE FUND	FY 2010 – FUTURE YEARS
Department of Natural Resources – Wildlife Conservation Fund (Fund 7015)	
Revenues	Loss of approximately \$28,000 in license revenue annually
Expenditures	Decrease in regulatory costs
Department of Agriculture – GRF, Consumer Analytical Lab Fund (Fund 6520), and Commercial Deer Fund (New)	
Revenues	Potential gain of approximately \$158,000 in license revenues annually to Commercial Deer Fund
Expenditures	Increase in Animal Industry Division regulatory costs
	Potential increase in GRF and Fund 6520 costs for Animal Disease Diagnostic Laboratory

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

- The bill gives the Department of Agriculture authority to regulate commercial deer propagators and commercial deer hunting preserve operators and establishes an annual license fee of \$300 for such operators. The receipts, which could total approximately \$158,000 annually, would be deposited into the Commercial Deer Fund created by the bill.
- The bill would reduce regulatory costs for the Department of Natural Resources, which currently issues licenses for commercial deer propagators and commercial deer hunting preserves. There would also be a loss of approximately \$28,000 in 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 the ADDL, which is supported by the GRF and testing fees deposited into the Consumer Analytical Lab Fund (Fund 6520).
- The bill grants the Director of Agriculture the authority to take enforcement actions, including assessing civil penalties or revoking licenses under certain conditions.

Local Fiscal Highlights

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

Overview

Current law states that the Division of Wildlife in the Department of Natural Resources does not have authority to regulate domestic deer, which must be regulated as agricultural animals by the Department of Agriculture. However, whitetail deer are not considered "domestic deer" and are therefore regulated by the Department of Natural Resources' Division of Wildlife. The bill gives the Department of Agriculture sole authority to regulate commercial deer and defines that term as captive deer that have been legally acquired or their offspring that are privately owned primarily for agricultural use, propagation, or the operation of a hunting preserve. The potential costs that the Department of Agriculture would incur as a result of these new oversight requirements are described below.

Propagating licenses

The bill requires that individuals who propagate deer obtain a license to do so from the Department of Agriculture. This license must be renewed on March 15 of each year. Under the bill, a commercial deer propagating licensee must keep commercial deer in an authorized enclosure that is surrounded by a fence that meets specified criteria. Additionally, the bill requires that propagators tag their deer and notify the Department if any commercial deer escape or are otherwise missing.

The bill sets the propagating license fee at \$300. The Department of Natural Resources (DNR) currently requires propagating license fees from both commercial and noncommercial whitetail deer propagators. The 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 the Department of Agriculture, this means that DNR could expect an annual loss of approximately \$20,000 in revenue from commercial licenses. Assuming the same number of individuals apply for a license through the Department of Agriculture, the \$300 license fee would generate approximately \$150,000 in revenue from this source. These license fees would be deposited into the Commercial Deer Fund, which is created in the bill.

Propagating license testing

Under the bill, the Department of Agriculture's Animal Disease Diagnostic Laboratory (ADDL) would be 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 had chronic wasting disease, the Director must take appropriate actions as provided in the Animal Diseases Law. The ADDL conducted approximately 1,600 chronic wasting disease tests in calendar year 2008. Assuming that each 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 the ADDL would increase substantially, potentially requiring new staff. The fee for a chronic wasting disease test is typically \$35. The test takes approximately three days to complete.

The ADDL is housed within the Department of Agriculture's Animal Industry Division and is funded by the GRF (\$3.7 million in each year to support the Division and the ADDL) and testing fees deposited into the Animal and Consumer Analytical Lab Fund (Fund 6520), which supports both the 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 \$300 commercial propagator's fee deposited into the Commercial Deer Fund would be used to pay for these testing costs.

Hunting preserve licenses

The bill also gives the Department of Agriculture authority to regulate deer hunting preserves and establishes an annual license fee of \$300 for commercial deer hunting preserve operators. The money collected from the fee would be credited to the Commercial 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 Department of Agriculture, the anticipated revenue from this source would be approximately \$8,100.

Enforcement actions

The bill gives the Department of Agriculture 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 Commercial Deer Fund.