



Ohio Legislative Service Commission

Terry Steele

Fiscal Note & Local Impact Statement

Bill: Sub. H.B. 414 of the 128th G.A.

Date: March 31, 2010

Status: As Enacted

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 and declares an emergency

State Fiscal Highlights

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

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 (Fund 5HP0) to pay all expenses related to the Ohio Livestock Care Standards Board established under the bill. 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.
- The proceeds of any fines or penalties levied by the Ohio Livestock Care Standards Board would be deposited into the General Revenue Fund.

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 livestock care standards established by the Board.
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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 bill is the implementing legislation that 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, with probable cause, 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. The fiscal effects of these provisions are described in greater detail below.

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 donations to the fund for the advancement of livestock care, although this is not likely to be a large source of operating income for the fund. Furthermore, fine and penalty revenue would not be a source of ongoing revenue for the fund, as the bill requires that these be deposited into the General Revenue Fund. In the long run, to cover the operating expenses involved with the oversight of livestock care standards, the Department of Agriculture would presumably create a permanent source of funding for the Board.

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 the need for a Livestock Inspector and an Agriculture Enforcement Agent to support the Board's oversight of livestock care standards. These positions could either be new hires or borrowed from the Division of Animal Industry and the Enforcement Division on an as-needed basis. Depending on whether these are new hires or borrowed positions, their payroll costs could be (1) borne entirely by the Board, (2) charged to the Board on a prorated basis, or (3) borne entirely by the operating divisions mentioned above. 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. The Department of Agriculture anticipates holding initial board meetings at various locations throughout the state once the board members are selected. This could potentially increase travel and other board expenses initially.

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.