

Department of Planning and Budget 2022 Fiscal Impact Statement

1. Bill Number: SB 535

House of Origin Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Marsden

3. Committee: Agriculture, Conservation and Natural Resources

4. Title: Oversight of research breeders; Animal Welfare Oversight Officer; Animal Welfare Oversight Advisory Committee; civil penalty

5. Summary: Directs the State Veterinarian to hire an Animal Welfare Oversight Officer to inspect and oversee the operations of research breeders, defined in the bill as a person or entity that breeds dogs or cats for sale or transfer for use in testing or research within or outside the Commonwealth, and report any violations of state or federal law by the research breeder. The bill requires each research breeder to register with the Animal Welfare Oversight Officer, pay a registration fee as determined by the Commissioner of Agriculture and Consumer Services, and allow the Animal Welfare Oversight Officer continuous access to its facilities located in the Commonwealth. The bill subjects a research breeder that does not register, pay the fee, or allow the Animal Welfare Oversight Officer access to its facilities to a civil penalty of \$1,000 for each day of noncompliance. The bill also establishes an Animal Welfare Oversight Advisory Committee.

6. Budget Amendment Necessary: Yes, Item 97. HB3-/SB30, as introduced.

7. Fiscal Impact Estimates: Preliminary.

8. Fiscal Implications: It is anticipated that this bill will have a revenue and expenditure impact to the Virginia Department of Agriculture and Consumer Services, and an indeterminate general fund revenue impact due to the civil penalty established in this bill. The bill directs the Virginia Department of Agriculture and Consumer Services (VDACS) to require that a research breeder facility in the Commonwealth that breeds dogs or cats for sale or transfer for use in testing or research within or outside of the Commonwealth register with the department and pay an annual registration fee of not less than \$100,000. Under the provisions of this bill, the registration fee is to support the costs of hiring an Animal Welfare Oversight Officer.

A budget amendment to Item 97 of HB30/SB30, as Introduced, will be required in order to support the Animal Welfare Oversight Officer position established in this bill. The estimated cost of the position is \$97,000 annually. To meet the requirements of this bill, it is anticipated that the Virginia Department of Agriculture and Consumer Services will need to hire one full-time employee to serve as the Animal Welfare Oversight Officer requiring \$74,600 in

salary and fringe benefits. Additionally, the department estimates \$15,000 annually will be required for a state vehicle, office supplies, training, and travel.

The department is also to reimburse reasonable costs of the members of the Animal Welfare Oversight Advisory Committee. VDACS estimates that such costs may be up to \$8,000 per year. This is based on an assumption that the Committee will meet up to four times a year and that each member will be eligible for reimbursement of up to \$500 per meeting. Further, the bill requires that the department develop compliance guidelines for a research breeder to ensure the research breeders adherence to federal and state law, as well as department directives. It is anticipated that the cost of developing such guidelines can be absorbed within existing resources.

Finally, the bill establishes a civil penalty of \$1,000 per day for each day that a research breeder that does not register, pay the fee, or allow the Animal Welfare Oversight Officer access to its facilities. Currently, there is one breeder facility. The amount of any revenue that may be generated from the civil penalty is indeterminate, and such revenue is to be deposited to the general fund.

9. Specific Agency or Political Subdivisions Affected: Virginia Department of Agriculture and Consumer Services

10. Technical Amendment Necessary: No.

11. Other Comments: None