

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. NO.: 3170-04  
BILL NO.: Perfected SCS for SB 756  
SUBJECT: Department of Agriculture; Animal Care Facilities Act  
TYPE: Original  
DATE: February 22, 2000

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Animal Care Reserve Fund	\$35,023 to Unknown	\$35,023 to Unknown	\$35,023 to Unknown
General Revenue Fund	(Unknown)	(Unknown)	(Unknown)
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$35,023 to Unknown*</b>	<b>\$35,023 to Unknown*</b>	<b>\$35,023 to Unknown*</b>

\*Unknown because this does not include contributions received as they are undeterminable

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 4 pages.

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**FISCAL ANALYSIS**

ASSUMPTION

Officials from the **Office of Administration - Division of Budget and Planning** assume they would not be administratively impacted by this proposed legislation. However, they did indicate that there would be impact on total state revenue.

Officials from the **Department of Agriculture** assume that the primary fiscal impact of this section of the proposed legislation is the “per animal” fee charges, that would affect only a few licensee categories: commercial breeders, contract kennels, pet shops and dealers. Under the proposed legislation the fee **per animal sold or given away** would be \$1. One of these categories currently pays only \$0.50 per animal sold or given away (commercial breeders) and another category pays only \$0.10 per animal (contract kennels). Raising the fee per animal along with the total maximum fee allowable could provide an estimated \$56,400 additional funds, based upon known numbers of animals sold or given away by commercial breeders in 1999. The remaining two categories currently pay \$1 per animal (pet shops and dealers). Therefore, extension of the maximum fee allowable from \$500 to \$1,000 could provide an estimated \$8,000 in additional funds, based upon known numbers of animals sold or given away by dealers and pet shops. This would make the total fiscal increase for these four categories \$64,400.

Because the proposed legislation specifies this one dollar charge per animal **sold or given away**, it essentially eliminates a currently charged “per animal” fee for four other licensee categories, which would decrease current fund revenue by approximately \$29,377 (e.g., boarding kennels, training kennels, pet sitters, commercial kennels, exhibitions, etc. do not **sell or give away** animals).

Therefore, under these gain/loss scenarios, the Animal Care Reserve Fund could receive an additional \$35,023 annually. A summary of this is as follows:

	\$ 64,400 increase
	<u>(\$29,377) decrease</u>
Total Net Fiscal Increase to Fund =	\$ 35,023

Other provisions in the proposed legislation allow the Animal Care Reserve Fund to receive “...gifts, grants, contributions, appropriations, and funds or benefits from any other source or sources” and for the state treasurer to invest any portion of the fund not immediately needed as provided by the constitution and laws of the state. There is no way to determine whether such revenues would be realized, nor can their amounts be estimated.

ASSUMPTION (continued)

Since the majority of revenue is generated into the fund during a 3-month period each year (January, February and March), it seems that a portion of the fund could be invested in short-term options each fiscal year. However, the additional revenue to the fund from such investments would entirely depend upon current interest rates at the time of investment. Therefore, that potential revenue is not included in this fiscal estimate.

**Oversight** assumes that in the proposed legislation the AGR is allowed to assess an administrative penalty for violations. This proposal allows the penalties collected to be credited to the Animal Care Reserve Fund instead of to the General Revenue Fund. Oversight assumes the effect of this change is unknown.

Additionally, Oversight assumes that approximately forty percent of the costs to administer this program are already being expended from the General Revenue Fund (per a program evaluation conducted by Oversight staff). Therefore, this new language does not affect fund balances for the purpose of this fiscal note.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
<b>ANIMAL CARE RESERVE FUND</b>			
<u>Income - Department of Agriculture</u>			
Fees	\$64,400	\$64,400	\$64,400
Contributions	Unknown	Unknown	Unknown
Penalties Assessed	Unknown	Unknown	Unknown
<u>Loss - Department of Agriculture</u>			
Fees	<u>(\$29,377)</u>	<u>(\$29,377)</u>	<u>(\$29,377)</u>
<b>Estimated Net Effect on</b>			
<b>ANIMAL CARE RESERVE FUND</b>	<b><u>\$35,023</u></b>	<b><u>\$35,023</u></b>	<b><u>\$35,023</u></b>
	<b>to</b>	<b>to</b>	<b>to</b>
	<b><u>Unknown</u></b>	<b><u>Unknown</u></b>	<b><u>Unknown</u></b>
<b>GENERAL REVENUE FUND</b>			
<u>Loss - Department of Agriculture</u>			
Penalties Assessed	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2001 (10 Mo.)	FY 2002	FY 2003

L.R. NO. 3170-04  
BILL NO. Perfected SCS for SB 756  
PAGE 4 OF 4  
February 22, 2000

<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

Oversight assumes that those businesses involved in the companion animal industry would be impacted by this proposed legislation.

DESCRIPTION

Current law provides a license fee of between \$100 and \$500 for animal care facilities and exempts pounds, dog pounds, and animal shelters from license fees. This act provides that the per animal fee, in addition to the \$100 minimum, will not exceed \$1. The total annual cost of the license shall not exceed \$1,000.

This act also directs the payment of administrative penalties for violations to the Animal Care Reserve Fund instead of General Revenue. Moneys in the Animal Care Reserve Fund must be invested by the State Treasurer and any interest earned shall remain with the fund.

This legislation is not federally mandated and would not require additional capital improvements or rental space, but could duplicate an existing program. AGR noted that the USDA REAC administers a similar program on a federal level. Both state and federal programs exist in many states, including Missouri.

SOURCES OF INFORMATION

Department of Agriculture  
Office of Administration - Budget and Planning



Jeanne Jarrett, CPA  
Director  
February 22, 2000