



Ohio Legislative Service Commission

Terry Steele

Fiscal Note & Local Impact Statement

Bill: S.B. 233 of the 128th G.A.

Date: March 9, 2010

Status: As Introduced

Sponsor: Sen. Gibbs

Local Impact Statement Procedure Required: No — Minimal cost

Contents: Establishes the Ohio Livestock Care Standards Board pursuant to the Ohio Constitution

State Fiscal Highlights

STATE FUND	FY 2010	FY 2011	FUTURE YEARS
General Revenue Fund			
Revenues		- 0 -	
Expenditures	- 0 -	Increase of \$162,280 in transfer out to Fund 5HP0	- 0 -
Livestock Care Standards Fund (New Fund – Fund 5HP0)			
Revenues	- 0 -	Gain from transfer in of \$162,280 from GRF	Potential gain in civil penalties and contributions
		Potential gain in civil penalties and contributions	
Expenditures	- 0 -	Increase dependent on scope of Board oversight	Increase dependent on scope of Board oversight

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 Livestock Care Standards Fund (designated as Fund 5HP0 in the state's accounting system) to pay all expenses related to the Ohio Livestock Care Standards Board. The fund will consist of civil penalty revenue and money donated to the Department of Agriculture or the Board.
- The fund would be capitalized by a transfer of \$162,280 in FY 2011 from the GRF. This cash transfer would be offset by a reduction in the FY 2011 appropriation for GRF line item 200458, School Employees Health Care Board, within the Department of Education's budget, from \$800,000 to \$637,720.
- The Ohio Livestock Care Standards Board would incur new operating costs for carrying out its responsibilities under the bill. In addition to expenses for investigations and enforcement, some of which would presumably be shared with the Department of Agriculture, the Board would incur costs to pay the salary for an executive director and staff, board member reimbursement, and equipment.

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 bill.
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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 implementing legislation 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, upon consent of a landowner, or as the case may be, a livestock owner, to enter public or private property to inspect, investigate, obtain samples, and examine records to determine compliance with the rules adopted by the Ohio Livestock Care Standards Board. Under the bill, the Director of Agriculture would be required to seek injunctive relief or other legal action related to violations either from the Licking County Court of Common Pleas or the court of common pleas in the county where a violation has occurred. Finally, the bill establishes a new fund to pay for the operating costs of the new board.

Livestock Care Standards Fund

The bill creates the Ohio Livestock Care Standards Fund (Fund 5HP0) as the source of operating income for the Livestock Care Standards Board. Initially, the fund will be capitalized by a transfer of \$162,280 cash from the GRF in FY 2011. The bill reduces GRF appropriation item 200458, School Employees Health Care Board, within the Department of Education budget, by the same amount in FY 2011, from \$800,000 to \$637,720. Civil penalties imposed for violations of the bill or rules imposed by the Ohio Livestock Care Standards Board would also be deposited into Fund 5HP0. Although the amount of revenue derived from this source would depend on the scope of the penalties established, penalty revenue alone would not likely sustain the operating costs of the Board. Some of the potential expenses the Ohio Livestock Care Standards Board is likely to incur are briefly described below.

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. These costs could be lower if the 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, there could be some new costs for office space, equipment, and supplies. These expenses would depend largely on what resources could be borrowed from the Department of Agriculture and the scope of the standards imposed by the Board.

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.