



OHIO LEGISLATIVE SERVICE COMMISSION

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Fiscal Note & Local Impact Statement

Bill: H.B. 506 of the 132nd G.A.

Status: As Reported by Senate Agriculture

Sponsor: Rep. Hill

Local Impact Statement Procedure Required: No

Subject: Revises the law governing high volume dog breeders

State Fiscal Highlights

- The bill modifies the definition of high volume breeder, potentially increasing the number of dog breeders licensed as high volume breeders by the Division of Animal Health within the Department of Agriculture (AGR). That number is currently 263. Under current law, license fees range from \$150 to \$750 depending on the number of litters sold by the dog breeder in a calendar year. License fees are deposited into the High Volume Breeder Kennel Control License Fund (Fund 5MR0). In FY 2017, nearly \$381,000 was deposited into Fund 5MR0.
- Correspondingly, the bill changes the license fee based on the number of litters sold in a calendar year to the number of puppies sold in a calendar year. This will increase the amount of fee revenue deposited into Fund 5MR0. Additional license fee revenue is possible as a result of expanding the definition of a high volume breeder.
- The bill allows AGR to assess a civil penalty against a person violating the standards of care established by the bill that high volume breeders must follow. Civil penalties are not more than \$2,500 for a first violation, \$5,000 for a second violation, and \$10,000 for a third or subsequent violation. Civil penalties are deposited into Fund 5MR0.

Local Fiscal Highlights

- A portion of the high volume breeder license fee revenue is remitted to county auditors and county dog wardens to defray the costs that county auditors incur for licensing dogs and county dog wardens incur for their operations. The amount remitted ranges from \$50 to \$100 and is based on the individual county fees. In FY 2017, over \$19,000 was remitted to county auditors and county dog wardens.

Detailed Fiscal Analysis

Overview

The bill revises the law governing high volume breeders enforced by the Division of Animal Health within the Department of Agriculture (AGR). Specifically, the bill modifies the factors determining whether a dog breeder is subject to the High Volume Breeder Law and establishes the standards of care that a high volume breeder and out-of-state breeders must follow. Currently, there are 263 dog breeders licensed as high volume breeders.

Under current law, high volume breeder means an establishment that keeps, houses, and maintains adult breeding dogs that produce at least nine litters of puppies in any given calendar year and, in return for a fee or other consideration, sells 60 or more adult dogs or puppies per calendar year. The bill alters the definition to an establishment that keeps, houses, and maintains six or more breeding dogs and does at least one of the following: (1) in return for a fee or other consideration, sells five or more adult dogs or puppies to a dog broker or pet store, (2) in return for a fee or other consideration, sells 40 or more puppies in any given calendar year to the public, or (3) keeps, houses, and maintains, at any given time in a calendar year, 40 or more puppies that are under four months of age that have been bred, kept, housed, and maintained from birth on the premises of the establishment. Additionally, the bill clarifies that animal shelters for dogs operated by a humane society are exempt from licensure.

Fiscal effects

High volume breeders and applicable license fees

The changes to the factors used to determine whether a dog breeder is subject to the law will increase the number of high volume breeders that would require licensure by AGR. Currently, high volume breeders pay an annual license fee, ranging from \$150 to \$750 depending on the number of puppy litters sold per calendar year by the breeder. Most significantly, the bill changes the license fee based on the number of litters sold in a calendar year to the number of *puppies* sold in a calendar year. This will increase the amount of license fee revenue deposited into the High Volume Breeder Kennel Control Fund (Fund 5MR0). Overall, nearly \$381,000 in fees from 263 licensed breeders was deposited into Fund 5MR0 in FY 2017. The table below shows the license fees that apply to the number of puppies sold as proposed under the bill and the fees that apply to the number of litters sold as under current law.

License Fees for High Volume Breeders		
Number of Puppies (proposed under the bill)	Number of Litters (under current law)	Annual Fee
40 to 60 puppies	9 to 15 litters	\$150
61 to 150 puppies	16 to 25 litters	\$250
151 to 250 puppies	26 to 35 litters	\$350

License Fees for High Volume Breeders		
Number of Puppies (proposed under the bill)	Number of Litters (under current law)	Annual Fee
251 to 350 puppies	36 to 45 litters	\$500
351 or more puppies	46 or more litters	\$750

A portion of the high volume breeder fees collected by AGR is remitted to county dog and kennel funds to defray the costs that county auditors incur for licensing dogs and county dog wardens incur for their operations. The portion of the fee that is remitted to county auditors and county dog wardens ranges from \$50 to \$100 based on the individual county fees. In FY 2017, over \$19,000 from these state fees was distributed to county auditors and county dog wardens. In addition to Fund 5MR0, the High Volume Dog Breeders Program is funded by GRF appropriation item 700427, High Volume Breeder Kennel Control. H.B. 49, the main operating budget act of the 132nd General Assembly, appropriated \$895,000 in FY 2018 and \$1.2 million in FY 2019 under this line item.

In addition to the fee changes above, the bill also establishes a late renewal fee of \$200 for all animal rescue registrations not renewed prior to expiration. Current law, unchanged by the bill, specifies that animal rescues are not charged a registration fee by AGR.

Standards of care

The bill establishes standards of care for high volume breeders. These standards of care are currently being enforced by AGR during the annual inspection process. The bill allows AGR to assess a civil penalty against a person violating the standards of care established by the bill. Civil penalties are not more than \$2,500 for a first violation, \$5,000 for a second violation, and \$10,000 for a third or subsequent violation. Civil penalties are deposited into Fund 5MR0.

Lastly, the bill requires a dog broker or a pet store that purchases a dog from an in-state high volume dog breeder or out-of-state dog breeder to verify that the dog breeder is in compliance with the standards of care established by the bill and maintain accurate records documenting the verification. The bill requires AGR to adopt rules that establish requirements and procedures to administer and enforce this requirement, including requesting the breeder sign a document attesting that they have complied with the standards of care requirements, possibly resulting in some increased administrative costs for AGR. Any costs would be paid from Fund 5MR0 or GRF appropriation item 700427, High Volume Breeder Kennel Control. AGR employs four inspectors, one veterinarian, two administrative personnel, a part-time enforcement inspector, and attorney under the High Volume Dog Breeder Program.