

Commission on Local Government

**Estimate of Local Fiscal Impact
2008 General Assembly Session**

Bill: HB 538 Patron: Orrock Date: January 25, 2008

In accordance with the provisions of §30-19.03 – 30-19.03:1.1 of the Code of Virginia, the staff of the Commission on Local Government offers the following analysis of the above-referenced legislation:

I. Bill Summary

HB 538 defines commercial breeders as persons who breed dogs as companion animals and maintain 20 or more unsterilized adult females for commercial breeding purposes. Commercial breeders will be required to (i) obtain a business license from their locality; (ii) cooperate with inspections by animal control officers to ensure compliance with state and federal animal control laws; (iii) create a fire emergency plan and install fire safety measures; (iv) maintain records of animal sales, purchases, breeding history, and veterinary care; (v) dispose of dead dogs and confined waste in accordance with law; and (vi) maintain no more than 50 adult dogs at one time. Pet shops will have to ensure that their dogs are purchased from dealers that are properly registered and licensed with the U.S. Department of Agriculture. Persons convicted of animal cruelty and neglect will be prohibited from selling or trading animals. Persons who violate any of these provisions are guilty of a Class 1 misdemeanor. Local animal control officers will be required to inspect commercial breeding operations at least twice annually.

II. Fiscal Impact Analysis

Under the federal Animal Welfare Act (7 USC, 2131-2156) a permit from the U.S. Department of Agriculture is required for dealers who breed pets for the wholesale trade. However, dealers who breed pets for retail sale (even large operations), or who have three or fewer breeding females, are exempt from regulation. The Commonwealth of Virginia does not license dealers who breed companion animals, but for other purposes defines a dealer as “any person who in the regular course of business for compensation or profit buys, sells, transfers, exchanges, or barter companion animals” (§3.1-796.66). Businesses or organizations whose business is to transport, or whose purpose is to find adoptive homes for companion animals, are excluded from the definition. Localities may pass ordinances requiring a person to obtain a permit to operate as a dealer of companion animals (§3.1-796.84). HB 538 creates another category of dealer, “commercial breeders,” defined as persons who maintain 20 or more unsterilized adult female dogs for commercial breeding purposes. The bill would subject commercial breeders to the various regulations described in the paragraph above. Pet shops would be prohibited from purchasing dogs from dealers not registered with the U.S. Department of Agriculture.

Because not all commercial breeders are currently required to register with any government authority, it is unknown how many exist. This makes it difficult for localities to precisely estimate the fiscal impact of HB 538. Some know the location of larger breeding operations by virtue of the federal permitting process or local zoning permit mechanisms. Only relatively large breeding operations would be affected by the bill.

The Commission on Local Government received fiscal impact statements from 13 localities (the counties of Arlington, Buckingham, Campbell, Fairfax, Henrico, James City, Prince Edward, and Rappahannock; and the cities of Chesapeake, Lynchburg, Norfolk, Richmond, and Roanoke). Estimates varied based on assumptions about the number of commercial breeders in the locality. The responding localities estimated first-year expenditure impacts of HB 538 as follows:

Arlington County	Net additional expenditure less than \$5,000
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The county has no commercial breeders as defined in the bill.

Buckingham County	\$12,000 additional expenditure
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Does not know how many commercial breeders may exist in the county. Enforcement would require more of the animal control officer's time, but no additional staff. Additional expenditure is for outside veterinary services that are typically needed in animal welfare cases.

Campbell County	No net additional expenditure
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The county has no commercial breeders as defined in the bill.

Fairfax County	No net additional expenditure
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Believes there are few commercial breeders in the county, and inspections could be handled by existing animal control staff.

Henrico County	\$48,724 additional expenditure
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Would require one additional animal control officer at a minimum cost of \$48,724 per year.

James City County	No net additional expenditure
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The county already inspects commercial breeders.

Prince Edward County**Net additional expenditure less than \$5,000**

Noted that the county does not currently require business licenses, but commercial breeders would be required to have them under the bill.

Rappahannock County**Net additional expenditure less than \$5,000**

The county has no commercial breeders as defined in the bill. If any locate in the county, additional training for the two animal control officers on staff would be needed. Noted that the county does not currently require business licenses, but commercial breeders would be required to have them under the bill.

City of Chesapeake**No net additional expenditure**

The city has only one commercial breeder. The monitoring requirements could be met by animal control officers already on staff during normal working hours.

City of Lynchburg**Net additional expenditure less than \$5,000**

Monitoring requirements could be met by animal control officers already on staff.

City of Norfolk**\$7,500 additional expenditure**

Given the number of commercial breeders thought to exist in the city, providing the service would require 25 percent of one animal control officer's salary, or \$7,500. If any additional training is needed, the cost would increase.

City of Richmond**\$43,000 net additional expenditure**

The city would have to hire one additional animal control officer at \$39,000 per year, plus \$4,000 in training and equipment.

City of Roanoke**Net additional expenditure less than \$5,000****III. Conclusion**

Based upon the responses from local governments, the fiscal impact of HB 538 would range from \$0 to \$50,000 in first-year expenditures. The upper limit assumes that one additional animal control officer is hired to enforce the requirements of the bill. Localities that could enforce the requirements of HB 538 with existing staff would typically incur less than \$5,000 in first-year expenditures.

The local fiscal impact would vary from locality to locality with (1) the number of commercial breeders identified in the locality and (2) the current staffing level of its animal control function.