

## Department of Planning and Budget 2018 Fiscal Impact Statement

**1. Bill Number:** SB962

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

**2. Patron:**    Obenshain

**3. Committee:** Agriculture, Conservation and Natural Resources

**4. Title:**    Herd shares; written shared herd ownership agreements; requirements; penalty.

**5. Summary:** This bill requires a person to enter into a written agreement with the owner of a herd of milk-producing animals in order to obtain an ownership interest in the owner's milking herd and any of the milking herd's milk production equal to the percentage ownership interest, subject to certain requirements relating to provision and retention of files, packaging, acknowledging certain dangers, and prohibiting sale or resale. The bill requires the State Health Commissioner to investigate any report of illness that results from the consumption of unpasteurized milk provided pursuant to such an agreement. Any violation is a Class 1 misdemeanor, with each day of violation being counted as a separate offense.

**6. Budget Amendment Necessary:** No.

**7. Fiscal Impact Estimates:** Indeterminate. See item 8.

**8. Fiscal Implications:** It is anticipated that this bill will have an indeterminate fiscal impact on the Department of Agriculture and Consumer Services. There is potential for increased agency involvement with herd shares, and the level of regulatory related oversight required by this bill cannot be determined. It is anticipated that any costs associated with this bill to the Department of Health can be absorbed.

Violations of the provisions of this bill are punishable by a Class 1 misdemeanor offense. Anyone convicted of a Class 1 misdemeanor is subject to a sentence of up to 12 months in jail and a fine of not more than \$2,500. There is not enough information available to reliably estimate how many additional inmates in jail could result from this proposal. Ultimately, the presiding judge will decide if there is to be any time served in jail; however, any increase in jail population will increase costs to the state. The Commonwealth presently pays the localities \$4.00 a day for each misdemeanant or otherwise local responsible prisoner held in a jail. It also funds a large portion of the jails' operating costs, e.g. correctional officers. The state's share of these costs on a per prisoner, per day basis varies from locality to locality. However, according to the Compensation Board's most recent Jail Cost Report (November 2017), the estimated total state support for local jails averaged \$34.58 per inmate, per day in FY 2016. Misdemeanor offenses also carry the possibility of fines. Any revenue generated from such fines is indeterminate and is required for deposit to the state Literary Fund.

**9. Specific Agency or Political Subdivisions Affected:** Department of Agriculture and Consumer Services; Department of Health; local courts, jails, and prisons.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** HB825 also addresses herd shares.