

## Department of Planning and Budget 2018 Fiscal Impact Statement

**1. Bill Number:** HB877

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

**2. Patron:** Orrock

**3. Committee:** Passed the House.

**4. Title:** Pet shops; sale of dogs; maintenance and availability of records.

**5. Summary:** This bill amends the definition of "pet shop" and requires any pet shop that sells dogs to post a notice stating that USDA APHIS Inspection Reports are available prior to purchase. The bill requires the shop to (i) maintain a written record containing such reports and other detailed information about each dog, (ii) make the record available to purchasers and the Office of the State Veterinarian, and (iii) maintain the record for two years after selling a dog.

The bill clarifies the State Veterinarian's role in having access to the records as well as the collecting and maintaining of USDA breeder inspection records from each pet shop.

**6. Budget Amendment Necessary:** Yes, to Item 87 of HB30/SB30.

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

**7a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2019	\$152,047	1	GF
2020	\$97,047	1	GF
2021	\$97,047	1	GF
2022	\$97,047	1	GF
2023	\$97,047	1	GF
2024	\$97,047	1	GF

**8. Fiscal Implications:** It is anticipated that this bill will have an expenditure impact on the Virginia Department of Agriculture and Consumer Services (VDACS) and that a general fund budget amendment of \$152,047 for the first year and \$97,047 annually thereafter is required to administer this program, including management, investigation, and enforcement of the bill. VDACS anticipates that the bill's requirement that pet shops make USDA inspection reports and other records available to the Office of the State Veterinarian will increase complaints, requests for records, and public demand for VDACS to oversee pet shops more directly. Currently, VDACS assists with the inspections of pet stores in cooperation with and at the request of localities, when resources allow. There may be an

increase in the number of requests from local animal control agencies for VDACS' assistance with pet shop cases, and each complaint or request for assistance from animal control may require an audit or investigation by VDACS staff.

The requirement that the Office of the State Veterinarian establish a schedule for pet shops to submit to the agency breeder and dealer information as well as USDA inspection reports will require resources to administer. The agency will need to establish a system to identify and track active private businesses throughout the Commonwealth that are affected by these requirements. VDACS will need to determine the data required to be submitted by pet shops and create a system to collect and store the data so that it is available to interested parties. Regular oversight and enforcement actions are required to ensure pet shops maintained compliance with the requirements.

According to VDACS, the USDA recently removed breeder inspection reports from a public-facing website due to concerns regarding personal information and privacy laws. In light of those concerns, VDACS will need to determine how the records, which are to be made available to interested parties, should be managed. Records access management, along with any potential redactions, will require additional resources.

According to VDACS, the necessary oversight and management required by the bill cannot be absorbed by existing personnel and resources. VDACS requires one additional staff member at an annual cost of \$86,047 for salary, benefits, equipment, and travel to manage, investigate and enforce the provisions of this bill. VDACS also requires a software program to collect and manage the submitted records. The minimum cost to develop such a software program is \$55,000 and the annual maintenance cost is estimated to be \$11,000.

Under the Code of Virginia, VDACS and local governing bodies both are empowered to enforce the Comprehensive Animal Care laws. The bill may have an expenditure impact on localities as the primary enforcement officials for pet stores.

**9. Specific Agency or Political Subdivisions Affected:** Department of Agriculture and Consumer Services; localities.

**10. Technical Amendment Necessary:** No

**11. Other Comments:** None.