

Department of Planning and Budget 2023 Fiscal Impact Statement

1. **Bill Number:** HB2348

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. **Patron:** Webert

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

4. **Title:** Animal testing facilities; noncompliance with federal laws and regulations; civil penalty.

5. **Summary:** Establishes certain restrictions and civil penalties for animal testing facilities, as defined in the bill, that have received citations for noncompliance with the federal Animal Welfare Act or regulations adopted thereunder. The bill requires animal testing facilities to register annually with the Department of Agriculture and Consumer Services, to pay an annual registration fee to the Department, and to report citations received for violations of the federal Animal Welfare Act or regulations adopted thereunder to the Department.

6. **Budget Amendment Necessary:** Yes. Item 97, HB1400 and SB800, as Introduced.

7. **Fiscal Impact Estimates:** Preliminary.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2024	225,606	2.0	General
2025	225,606	2.0	General
2026	225,606	2.0	General
2027	225,606	2.0	General
2028	225,606	2.0	General
2029	225,606	2.0	General
2030	225,606	2.0	General

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 an indeterminate nongeneral fund revenue impact. This bill requires VDACS to register entities, review and manage report submissions, assess civil penalties, and monitor compliance. Additionally, VDACS anticipates an increase in complaints and requests for information. To address the additional responsibilities included in the bill, VDACS anticipates requiring two full-time positions, one office-based specialist and one veterinary supervisor that is knowledgeable of the federal Animal Welfare Act and its regulations. The veterinarian position would provide knowledge of the federal Animal Welfare Act, its regulations, and Institutional Animal Care

and Use Committees (IACUC) process. VDACS does not have any expertise in the area of research animals, since the agency does not currently regulate this industry. The estimated cost associated with the two positions, including salary, benefits, and nonpersonal services costs, is approximately \$225,606 per year. The estimated annual salary for the office specialist is \$50,000, and the estimated annual salary for the veterinary supervisor is \$90,000.

The bill requires all animal testing facilities in the Commonwealth to register with the department and to pay the department an annual registration fee. Additionally, the bill establishes civil penalties in an amount between \$3,000 and \$10,000 per violation of the federal Animal Welfare Act, as inspected by the United States Department of Agriculture, and directs the use of revenue collected as a result of the newly established penalties toward supporting the provisions of the bill. The civil penalties will be based upon USDA reports, but there could also be involvement with the facilities. The IACUC requirements and penalties would not be on the USDA reports. It is anticipated that, as a result, VDACS will experience increased complexity in the agency's compliance efforts, which will necessitate having VDACS staff that can interpret USDA regulations and reports along with IACUC requirements to support assessing civil penalties and handling appeals.

Any revenue the department may collect as a result of the penalties or registration fees is indeterminate. VDACS is unable to estimate the amount of revenue the fee may generate, as the amount is unspecified and the department does not currently know the number of animal research and testing facilities in the Commonwealth. This statement will be updated if and when VDACS receives additional information on the number of facilities currently being inspected from the USDA, but the bill broadens the definitions of such a facility, so the estimate would remain tentative.

9. Specific Agency or Political Subdivisions Affected: Virginia Department of Agriculture and Consumer Services

10. Technical Amendment Necessary: No.

11. Other Comments: This is the companion to SB1230.