

**STATE  
FISCAL IMPACT**

**Drafting Number:** LLS 14-0301  
**Prime Sponsor(s):** Rep. Lebsock  
 Sen. Tochtrop

**Date:** February 20, 2014  
**Bill Status:** House Agriculture  
**Fiscal Analyst:** Clare Pramuk (303-866-2677)

**SHORT TITLE:** SUNSET PET ANIMAL CARE FACILITIES

Fiscal Impact Summary*	FY 2014-2015	FY 2015-2016
<b>State Revenue</b>	<b>&lt;\$500</b>	<b>\$763,465</b>
Cash Funds	<500	763,465
<b>State Expenditures</b>		<b>\$618,500</b>
Cash Funds	Minimal workload increase. See State Expenditures section.	618,500
<b>FTE Position Change</b>		7.5 FTE
<b>Appropriation Required:</b> None.		

\* This summary shows changes from current law under the bill for each fiscal year.

**Summary of Legislation**

This bill continues the Pet Animal Care and Facilities Act (PACFA) in the Colorado Department of Agriculture (CDA) until July 1, 2019, and implements some of the recommendations of the sunset review conducted by the Department of Regulatory Agencies. The sunset recommendations include:

- authorizing the Commissioner of Agriculture to deny, refuse to renew, or revoke a license when any controlling member of the organization has been convicted of animal cruelty or animal fighting;
- harmonizing definitions of "canine hobby breeder facility" and "dog breeder, small scale operation"; and
- repealing certain exemptions for nonhuman primates.

The other provisions of the bill include:

- authorizing the Commissioner of Agriculture to adopt rules for disclosures concerning rabies vaccinations to be given by a licensee in connection with the sale, transfer, trade, or adoption of a dog, cat, ferret or bird;
- increasing the cap on license fees from \$350 to \$700; and
- requiring CDA staff to report to local law enforcement or the State Bureau of Animal Protection (bureau) suspected animal cruelty or animal fighting discovered as part of an investigation; knowingly making a false report, is a class 1 petty offense.

## **Background**

Under the PACFA, the Commissioner of Agriculture regulates pet animal breeders, groomers, trainers, boarders, shelters, rescues, and sellers. Pet animals include dogs, cats, rabbits, guinea pigs, hamsters, mice, rats, gerbils, ferrets, birds, fish, reptiles, amphibians, and invertebrates. The commissioner promulgates rules pertaining to minimum standards of physical facility, sanitation, ventilation, temperature, humidity, spacial and enclosure requirements, nutrition, humane care, and medical treatment. The Division of Animal Industry in the CDA conducts four types of inspections: pre-license, routine, complaint-based, and follow up. When violations are noted during an inspection, licensees are expected to correct them. If a licensee commits enough violations, disciplinary action can be taken.

## **Fiscal Impact of Programs Set to Expire**

This bill continues a program in the Division of Animal Industry in the CDA that is set to repeal, effective July 1, 2014. Under current law, state agencies may be appropriated funds to wind up the affairs of an expiring program for 12 months following the repeal date. To account for the wind-up period, the impact of extending the program beyond the current repeal date is shown as beginning in FY 2015-16. There is no need for an appropriation of the division's base funding in FY 2014-15 since the program's authorization has not yet expired, and ongoing funding for the program is included in the CDA's base budget request.

The state revenue and state expenditures impact for FY 2015-16 reflect the program's anticipated fee revenue and base budget beginning that year. The CDA is expected to require \$618,500 and 7.5 FTE in FY 2014-15 for the regulation of pet animal care and facilities. The anticipated revenue is \$762,925 annually.

## **State Revenue**

Beginning in FY 2014-15, this bill is anticipated to increase state revenue by less than \$500 per year, credited to the Fines Collection Cash Fund in the Judicial Branch. The fine penalty for a class 1 petty offense is not more than \$500. Because the courts have the discretion of incarceration, imposing a fine, or both, the impact to state revenue cannot be determined. Further, the fiscal note assumes that CDA staff will not knowingly make a false report of animal cruelty or fighting.

**Fee Impact on Individuals, Families or Business.** Section 2-2-322, C.R.S. requires legislative service agency review of measures which create or increase any fee collected by a state agency. Because fees have been capped in law at \$350 regardless of the cost to administer each type of license, some licensees are paying a disproportionate share of PACFA funding. The fiscal note assumes that the CDA will reconsider the fees per license type to create a more equitable fee structure without raising overall revenue.

## **State Expenditures**

This bill is expected to increase workload for the CDA to promulgate rules for written disclosures related to rabies vaccinations and to set fees. This is expected to be a minimal workload increase and does not require new appropriations.

**Assumptions.** The fiscal note assumes that CDA inspectors are currently notifying local law enforcement or the bureau when they suspect an animal has been subjected to animal cruelty or animal fighting. As a result, this bill is not expected to increase the workload for local law enforcement or the bureau to respond to reports.

**Effective Date**

The bill takes effect July 1, 2014.

**State and Local Government Contacts**

Agriculture  
Sheriffs

Counties  
Judicial

Municipalities  
District Attorneys

Law