

N.C. GENERAL ASSEMBLY LEGISLATIVE FISCAL NOTE

Fiscal Research  
733-4910

Prepared By: Carol Shaw	Date Prepared: 3-10-89	Bill No.: HB363	Edition: 1rst
Approved By: Tom Covington TOMC			Sponsor: Rep. McLaughlin
Short Title: Animal Welfare Act/Revisions			

TYPE OF FISCAL IMPACT	COUNTY		FUNDS AFFECTED:		
	State Gov't	Local Gov't	( ) General	( ) Highway	(X) Other: New Fund ( ) Local
			State Fiscal Impact	FY 89-90	FY 90-91
No Fiscal Impact ( ) ( )			State Total Req'ments	\$142,000	\$285,000
			Receipts/Revenues	\$142,000	\$285,000
Increase Expenditure (X) (X)			Net State Expend./Rev.	-0-	-0-
			No. of Positions	4	4
Decrease Expenditure ( ) ( )			Local Fiscal Impact	FY	FY
Increase Revenue (X) ( )			Local Total Req'ments		
Decrease Revenue ( ) ( )			Receipts/Revenues	See Technical Considerations	
No Estimate Avail. ( ) ( )			Net Local Expend./Rev.		
			No. of Positions		

Description of Legislation

1. Summary of Legislation

Revises the current Animal Welfare Act (Chapter 19A, Article 3) to require that animal shelters operated by units of local government shall be regulated and inspected by the Animal Welfare Section of the Department of Agriculture. All counties are required to operate an animal control facility or contract with a facility for animal control requirements. These facilities must meet the minimum standards set by the Department of Agriculture.

Establishes the Animal Welfare Act Enforcement Fund to pay the increased costs of enforcing the Act which result from including local government facilities under the Act. Money in excess of personnel and administrative costs will be available to local governments in the form of matching grants (dollar for dollar match ratio).

The Commissioner of Agriculture will approve grants based on need -- in relation to the minimum standards for facilities. The grant money will be available only for new construction, capital improvement of an animal control facility, and funds will be award in blocks of five thousand dollars (\$5,000), limited to ten thousand dollars (\$10,000) annually per applicant. The grants cannot be used for operating costs of an animal control facility.

The Animal Welfare Act Enforcement Fund will be funded through a fifty cent (\$.50) fee on each rabies vaccination to be paid by the purchaser of the vaccination and to be collected by persons administering the vaccination. The proceeds will be submitted quarterly to the Department of Human Resources who will retain ten percent (10%) of all proceeds for administrative costs of collections and transfer the remainder to the Animal Welfare Act Enforcement Fund in the Department of Agriculture.

2. Effective Date

The sections of HB363 establishing the Animal Welfare Act Enforcement Fund and the rabies vaccination fee will become effective January 1, 1990. The sections bringing local governments under state regulations become effective October 1, 1990. This schedule allows collection of funds prior to the need for additional personnel to inspect local government facilities.

3. Fund or Tax Affected

No existing fund or tax is affected because the legislation creates a new fund and tax.

4. Principal Department/Program Affected

The Animal Welfare Section of the Department of Agriculture is the primary program affected, but the Division of Health Services of the Department of Human Resources is also affected since it will be collecting the fee.

**Cost or Revenue Impact on State**

	FY	FY	FY
	88-89	89-90	

1. Non-Recurring Costs/Revenues

2. Recurring Costs/Revenues

COSTS	\$142,500	\$285,000
REVENUES	\$142,500	\$285,000

### 3. Fiscal/Revenue Assumptions

The revenue assumptions are based on the annual distribution of 570,000 rabies tags by the Division of Health Services of the Department of Human Resources. The 1989-90 estimate is based on the fee being collected for one half of the fiscal year. The 1990-91 estimate is based on the fee being collected for a full fiscal year.

#### Cost/Revenue Impact on County or Local Government

	FY	FY	FY
	88-89	89-90	
1. Non-Recurring Costs/Revenues			
2. Recurring Costs/Revenues			SEE TECHNICAL CONSIDERATIONS
3. Fiscal/Revenue Assumptions			

#### Sources of Data for Fiscal Note

The Division of Health Services of the Department of Human Resources.  
The Animal Welfare Section of the Department of Agriculture.  
The State and Local Government Finance Division of the Department of State Treasurer.

#### Technical Considerations/Comments

HB363 may increase costs for county governments, but the actual increased costs cannot be determined. Increased costs may occur in several ways: Increased capital expenditures to build a new facility or make improvements to an existing facility to bring it up to state standards and increased operating costs for a new facility or operating a facility which meets state standards.

Counties which do not operate an animal control facility or contract with a facility for animal control requirements will have to make arrangements to comply with the law. There are sixteen counties with no animal control facility. (See attached map) The other counties with animal control facilities may have to make improvements to their facilities in order to meet state standards. The grant provisions of HB363 are intended to assist counties in constructing new facilities when needed or to make improvements to existing facilities to meet state standards. It is estimated that

about \$100,000 per year will be available to counties who need assistance in meeting state standards for animal control facilities.

There are no provisions in HB363 to assist counties who may incur increased operating costs from operating an animal control facility which meets state standards. Yet all counties are allowed under GS 153A-153 to levy an annual license tax on the privilege of keeping dogs and other pets within the county. Fifty-five counties already levy an animal license tax.



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