

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE
Revised

House Bill 95 (Chairman, Environmental Matters Committee)
(By Request – Departmental – Agriculture)
Environmental Matters Education, Health, and Environmental Affairs

Maryland Horse Industry Board - Penalties

This departmental bill authorizes the Maryland Horse Industry Board, instead of pursuing criminal penalties, to impose an administrative penalty of up to \$2,000 on any person who violates any provision of the laws relating to the board. All penalties must be paid into the general fund. The board must adopt regulations to implement the bill.

Fiscal Summary

State Effect: Potential minimal increase in general fund revenues due to the bill's administrative penalty provisions. The bill's changes could be handled with existing resources.

Local Effect: The bill would not materially affect local operations or finances.

Small Business Effect: The Maryland Department of Agriculture (MDA) has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

Analysis

Current Law: No administrative penalties for violations of the Maryland Horse Industry Board subtitle exist; however, statute does provide for criminal penalties. Any person who violates any provision of the laws governing the board is guilty of a misdemeanor and on conviction is subject to a fine of up to \$250 or imprisonment for up to 11 months, or both.

The board may suspend or revoke the license of a noncompliant licensed facility under specified conditions. The board does not have any enforcement authority over unlicensed facilities.

Background: Horse riding stables have been licensed in Maryland for 35 years. Chapter 474 of 1968 established the State Board of Inspection of Horse Riding Stables. Chapter 416 of 1998 changed the name of the board to the Maryland Horse Industry Board. The board licenses, inspects, and enforces horse stables in the State; advises MDA regarding matters affecting the horse industry; supports research related to equine health and related issues; promotes the development and use of horses in the State; creates public awareness of the value of equine activities as they relate to the preservation of green space and agricultural land; and develops and disseminates information concerning the equine industry. In fiscal 2003, the board issued 386 licenses and inspected 368 horse stables.

This bill arises out of the sunset evaluations of the Maryland Horse Industry Board performed by the Department of Legislative Services (DLS) during 1999 and 2003. In its 1999 full evaluation report, DLS recommended among other things, that the board propose changes to law to permit the use of citations and fines for unlicensed stables to encourage compliance. In its 2003 preliminary evaluation report, which recommended that the board undergo a full evaluation in 2004, DLS noted that the board had not submitted legislation addressing the 1999 recommendation.

MDA advises that, to date, the board has been unable to criminally pursue potential offenders due to the difficulty of collecting sufficient evidence to satisfy the State's Attorneys; the workload of State's Attorneys Offices; and the low priority of stable operation violations.

State Revenues: According to MDA, in fiscal 2003, there were 12 complaints filed against licensed and unlicensed facilities. Ten of these facilities were inspected and deemed to be operating legally; one facility was found to be operating without a license and was subsequently licensed; and one facility has not yet responded to notifications of possible noncompliance. Based on that information, it is not unreasonable to assume that under the bill the board would likely collect administrative penalties from only a handful, if any, facilities. Accordingly, general fund revenues could increase minimally.

State Expenditures: Costs for the board to prosecute noncompliant facilities would be minimal and absorbable within existing budgeted resources.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Agriculture, Department of Legislative Services

Fiscal Note History: First Reader - January 22, 2004
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Analysis by: Lesley Cook

Direct Inquiries to:
(410) 946-5510
(301) 970-5510