

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE
Revised

House Bill 709

(Chairman, Environmental Matters Committee)
(By Request – Departmental – Agriculture)

Environmental Matters

Education, Health, and Environmental Affairs

Secretary of Agriculture - Regulation of Poultry to Control Avian Influenza

This departmental bill authorizes the Maryland Department of Agriculture (MDA) to license and regulate persons who operate live bird markets and produce or distribute poultry to live bird markets. Live bird markets are businesses that offer poultry for sale and slaughter on the same premises.

Fiscal Summary

State Effect: No effect on State general fund revenues and expenditures. However, federal fund revenues and expenditures could increase by \$291,900 beginning in FY 2007, depending on the receipt of federal funds.

Local Effect: None.

Small Business Effect: MDA has determined that this bill has a meaningful impact on small business (attached). Legislative Services concurs with this assessment. The attached assessment does not reflect amendments to the bill.

Analysis

Bill Summary: The bill requires participants (market operators, facility operators, and poultry dealers) in a live bird market to obtain an annual license from MDA. MDA may adopt an animal health protection program to regulate specified market participants as necessary to meet the regulatory requirements of the U.S. Department of Agriculture's

(USDA) uniform standards for the prevention and control of H5 and H7 low pathogenicity avian influenza (LPAI) in the live bird marketing system.

The bill also requires a person who keeps poultry to register with and provide specified information to MDA. These records must be maintained in a manner that protects the identity of the registrant, unless MDA determines, after consulting with the Department of Health and Mental Hygiene, that disclosure of that information is necessary to protect the public health or prevent the spread of an infectious or contagious disease.

Current Law/Background: MDA is responsible for protecting the health of the State's domestic animals from infectious and contagious diseases. An LPAI outbreak threatened the Maryland and Delaware poultry industries in 2004.

The U.S. Department of Agriculture Animal and Plant Health Inspection Service (APHIS) has worked with state veterinarians and industry representatives to develop a cooperative program to control LPAI in the live bird marketing system. The LPAI program is designed to enhance and unify state programs and to assist states in meeting their goals for prevention and control of LPAI in the live bird marketing system. These markets have repeatedly been identified as a source of LPAI.

According to MDA, the ability to conduct an effective animal disease control program is dependent upon the cooperation of individual animal owners. Information provided by animal owners can be of great importance to MDA in preparing emergency response plans, detecting the presence of animal diseases, controlling the spread of disease, and evaluating the need to take additional measures to protect the State's animals.

During the 2004 avian influenza outbreak, MDA determined that it could not refuse a request for information under the Public Information Act for the locations of the affected farms. However, MDA believes that disclosing such information reduce or discourage the cooperation of animal owners in the future. Lack of cooperation could be detrimental to dealing with and controlling future outbreaks of infectious disease.

Animal owners and veterinary practitioners voluntarily use MDA animal health laboratories to detect and diagnose disease. It is believed that failing to keep records and results confidential could discourage the use of these laboratories which could in turn diminish MDA's ability to monitor the health of the State's animals.

The stated goals of the LPAI program are: (1) to diagnose, control, and prevent H5 and H7 LPAI; (2) help participants to improve biosecurity, sanitation, and disease control in their operations; and (3) minimize the effects of LPAI on the U.S. commercial poultry industry.

Under the program, participating states are required to license or register live bird market operators and persons producing and distributing poultry to live bird markets. States are also responsible for enforcing LPAI program standards established by USDA as a condition of participation.

MDA does not currently have the necessary authority to meet the requirements to participate in the LPAI program.

MDA is also developing regulations requiring poultry owners to provide specified information to the department as a result of the avian influenza outbreak. MDA believes that this information should be kept confidential in order to ensure cooperation with owners.

There are no live bird markets operating in Maryland at present, but MDA advises that it is aware of one person interested in opening a live bird market in Maryland.

State Fiscal Effect: MDA advises that the regulatory authority over live bird markets, as provided by the bill, would enable Maryland to become eligible for federal funds through the cooperative program established by APHIS to control LPAI in the live bird marketing system.

MDA has compiled a proposed operating budget for the program that would require four positions (one veterinarian, two agricultural inspectors, and one lab scientist), and \$291,900 to operate beginning in fiscal 2007. MDA has advised that the implementation of any regulatory program would be contingent upon the receipt of federal funds. It is assumed that MDA would need to seek additional positions through the normal budgetary process for fiscal 2007, assuming federal funds are available for the program.

As such, the bill is not expected to have any fiscal effect on State general fund revenues and expenditures in fiscal 2006.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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