

Department of Legislative Services
 Maryland General Assembly
 2007 Session

FISCAL AND POLICY NOTE

House Bill 1352 (Chair, Environmental Matters Committee)
 (By Request – Departmental – Agriculture)

Environmental Matters Education, Health, and Environmental Affairs

Maryland Horse Industry Board - Rescue Stables

This departmental bill adds “rescue stables” to the list of facilities that are required to be licensed and inspected by the Maryland Horse Industry Board (MHIB). The bill subjects rescue stables to the same licensing and inspection requirements/fees that are imposed on other types of horse riding and rental stables regulated by the board.

Fiscal Summary

State Effect: General fund revenues would increase \$1,500 annually beginning in FY 2008. Any further impact on general fund revenues or expenditures due to existing penalty provisions is expected to be minimal.

(in dollars)	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
GF Revenue	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Expenditure	\$0	\$0	\$0	\$0	\$0
Net Effect	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: The bill is not expected to materially affect local government 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.

Analysis

Bill Summary: Rescue stables are defined as stables in which five or more horses are sold or transferred each year. Rescue stables are subject to the same \$25 inspection fee and a \$50 license fee each year as other stables. Likewise, rescue stables could also have their license suspended or revoked, horses impounded, and criminal or administrative penalties assessed against them for specified violations.

Current Law: The operation of a horse riding or rental stable without a license from MHIB is prohibited. MHIB issues licenses and has regulatory authority over the following types of activities:

- boarding – an establishment that stables five or more horses and receives compensation for these services;
- sales –an establishment that sells five or more horses a year;
- rental – an establishment that lets for hire one or more horses to be ridden or driven; and
- instruction – an establishment that lets for hire one or more horses to be ridden or driven and for which instruction is given.

MHIB can suspend or revoke a license for specified violations, generally relating to the welfare and maintenance of horses, sanitization of stables, and cruelty to horses. The board can also take possession of a horse to protect it from neglect or cruelty. A violation of the laws related to MHIB is a misdemeanor, punishable by a fine of up to \$250 or imprisonment for up to 11 months, or both. Instead of pursuing a criminal penalty, MHIB can impose an administrative penalty of up to \$2,000 for a violation.

Background: Horse riding stables have been licensed in Maryland for almost 40 years. In 1968 the General Assembly established (Chapter 474) the Board of Inspection of Horse Riding Stables. In 1998 the General Assembly passed legislation (Chapter 416) that changed the name of the State Board of Inspection of Horse Riding Stables to MHIB, expanded the membership of the board from 5 to 12, created the Maryland Horse Industry Fund, and expanded the mission and statutory duties of the board. In 2002 the General Assembly passed legislation (Chapter 223) that authorized MDA to levy an assessment on equine feed to help fund the activities of MHIB. In 2004 the General Assembly passed legislation (Chapter 151) authorizing the board to impose fines of up to \$2,000 on any person who violates specified provisions of the Agriculture Article.

Rescue stables usually operate by housing horses that are either unwanted or have been abused and/or neglected. Most of these types of stables represent themselves to the public as nonprofits and solicit funds to cover their costs. Because there have been complaints about conditions at some of these facilities in the past, MHIB advises that several private-sector organizations deem it to be in the best interest of the Maryland horse industry to include rescue stables within the licensing and regulatory authority of the board.

State Fiscal Effect: MHIB indicates that approximately 20 rescue stables would be licensed annually. License application and inspection fees received by the board are deposited into the general fund. As a result, general fund revenues would increase by \$1,500 annually (20 stables x \$75 inspection/license fee), beginning in fiscal 2008. Any additional workload associated with inspecting and licensing the additional 20 stables could be handled with the board's existing staff. Any further impact due to assessment of existing penalties against rescue stables is expected to be minimal.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - March 15, 2007
ncs/ljm

Analysis by: Michael Sanelli

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