

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE

Revised

Senate Bill 81

(Chair, Education, Health, and Environmental Affairs
Committee)(By Request - Departmental - Agriculture)

Education, Health, and Environmental Affairs

Environmental Matters

**State Board of Veterinary Medical Examiners - License Suspensions and
Revocations - Maximum Penalties**

This departmental bill modifies provisions that currently limit the amount of a monetary penalty the State Board of Veterinary Medical Examiners (SBVME) may impose to \$5,000. The bill specifies that in lieu of or in addition to suspension of a license, or in addition to revocation of the license, the board may impose a penalty of up to \$5,000 for a first offense. For a second or subsequent offense, in addition to suspension or revocation of the license, the board may impose a penalty of up to \$10,000.

Fiscal Summary

State Effect: General fund revenues increase minimally in future years due to increased collection of civil penalties, assuming civil penalties applicable to second or subsequent offenses are increased by SBVME by regulation. SBVME civil penalty revenues have fluctuated in past years, averaging \$14,745 per year from fiscal 2005 to 2009. Expenditures are not affected.

Local Effect: None.

Small Business Effect: The Maryland Department of Agriculture 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: SBVME is authorized to impose civil penalties of up to \$5,000 in lieu of or in addition to the suspension of a license and in addition to the revocation of a license. The penalties are paid into the general fund. The board is required to establish rules and regulations as are necessary to carry out the civil penalty provisions.

Background: SBVME is responsible for licensing and registering veterinarians, licensing and inspecting veterinary hospitals, licensing animal control facilities, and registering veterinary technicians. There are currently 2,471 licensed and registered veterinarians, 506 licensed veterinary hospitals, and 29 licensed animal control facilities.

SBVME regulations establish various violations and associated civil penalties for veterinarians for initial and subsequent violations. SBVME indicates that the \$5,000 maximum penalty is not an effective deterrent of future violations, as evidenced by an increase in the number of repeat violators. SBVME also notes that the maximum penalty amount has remained the same for over 25 years, while veterinarian salaries have increased. SBVME advises that the maximum civil penalty may be imposed for various reasons, including instances where a veterinarian has a long history of not particularly egregious violations that has caused increasing penalties to be assessed over time; or for serious cases such as those involving animal neglect.

Between fiscal 2005 and 2009, SBVME collected an average of \$14,745 in general funds per year from civil penalties, with receipts varying from \$8,600 in fiscal 2007 to \$21,950 in fiscal 2008. SBVME indicates, however, that fiscal 2008 may be an aberration due to the hiring of a part-time assistant Attorney General who began to catch up on idle disciplinary cases. Only \$3,300 has been collected so far in fiscal 2010.

State Revenues: General fund revenues are expected to increase in future years due to increased collection of civil penalties, assuming SBVME increases the civil penalty amounts applicable to second or subsequent offenses established in regulation. The amount of civil penalties collected each year has fluctuated in the past, making it difficult to estimate any increase in penalty revenues in future years. The extent to which revenues will increase will also depend on the regulatory changes made by SBVME, which cannot be predicted. Finally, higher civil penalties may also have a deterrent effect on violations, limiting the number of disciplinary cases and consequently the extent to which penalty revenues will increase under the bill. Given that an average of \$14,745 in civil penalties was collected each year in the past five fiscal years, however, any increase in penalty revenues should be relatively minimal.

Additional Comments: The term “license,” as used in statutory provisions applicable to SBVME, is defined as a license to practice veterinary medicine in the State, although

licenses for veterinary hospitals and animal control facilities are also established within the same statutory provisions. Thus, the bill's changes only appear to apply to licensed veterinarians.

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 13, 2010
mlm/lgc Revised - Senate Third Reader - March 29, 2010

Analysis by: Scott D. Kennedy

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

ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: State Board of Veterinary Medical Examiners – License Suspensions
and Revocations – Maximum Penalties

BILL NUMBER: SB 81

PREPARED BY: Maryland Department of Agriculture

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL
BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL
BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

The proposed legislation will have no impact on small business in Maryland.