

Department of Legislative Services
 Maryland General Assembly
 2014 Session

FISCAL AND POLICY NOTE

House Bill 1347 (Delegate Kramer)
 Environmental Matters

Animal Welfare - Research Facilities - Dogs and Cats

This bill establishes a licensing requirement, and other requirements and prohibitions, applicable to medical or scientific research facilities in the State that use dogs or cats for research purposes. The State Board of Veterinary Medical Examiners (SBVME) must license and perform periodic inspections of the facilities and otherwise regulate the facilities to ensure the humane treatment and care of dogs and cats used for research purposes.

The bill takes effect June 1, 2014.

Fiscal Summary

State Effect: General/special fund expenditures increase by \$158,300 in FY 2015 to regulate the research facilities. Future year general/special fund expenditures reflect annualization and inflation. Special fund revenues increase by an indeterminate amount beginning in FY 2015 due to the collection of license fees. The bill’s penalty provisions are not expected to materially affect State finances.

(in dollars)	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
SF Revenue	-	-	-	-	-
GF/SF Exp.	\$158,300	\$168,900	\$176,300	\$184,100	\$192,300
Net Effect	(\$158,300)	(\$168,900)	(\$176,300)	(\$184,100)	(\$192,300)

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

Local Effect: The bill’s penalty provisions are not expected to materially affect local government finances.

Small Business Effect: Minimal or none.

Analysis

Bill Summary: The bill requires a medical or scientific research facility in the State in which dogs or cats are used for research purposes to be licensed by SBVME. The board must set a license fee at a reasonable amount to cover SBVME costs, perform an inspection of each facility for which a license is sought, and perform quarterly inspections of each licensed facility. The board may make an agreement with an animal welfare organization, a local animal control agency, or a similar entity to conduct the inspections. SBVME must adopt regulations to carry out the bill and ensure the humane treatment and care of dogs and cats used for research purposes.

A medical or scientific research facility in which dogs or cats are used for research purposes may not use for research purposes (1) a dog sold by a Class B dealer licensed under the federal Animal Welfare Act; (2) a dog or cat obtained from random sources, including auctions, flea markets, and animal shelters; or (3) a dog or cat that has undergone a devocalization surgery. The bill, however, may not be construed as prohibiting the use of a dog or cat for research purposes if the dog or cat was obtained by the research facility on or before January 1, 2014. A facility also may not perform a devocalization surgery on a dog or cat.

To reduce to a minimum the number of dogs and cats used for research purposes, a facility must use scientifically reliable and relevant methods that do not involve the use of dogs or cats to the extent possible and in a manner that does not compromise the objectives of the research. A facility must also utilize best efforts to provide for the adoption of a dog or cat that is no longer needed for research purposes.

A dog or cat at a medical or scientific research facility may be euthanized only by a lethal injection of sodium pentobarbital administered by, or under the direct supervision of, a veterinarian licensed in the State.

An operator, employee, or agent of a medical facility or scientific research facility who violates any provision of the bill is guilty of a misdemeanor and is subject to imprisonment for up to 90 days and/or a fine of up to \$1,000 for a first offense and imprisonment for up to 180 days and/or a fine of up to \$5,000 for a second or subsequent offense.

Current Law/Background:

Animal Welfare Act

Under the federal Animal Welfare Act (AWA), the U.S. Department of Agriculture's (USDA) Animal and Plant Health Inspection Service (APHIS) regulates commercial

animal dealers, exhibitors (circuses, zoos, etc.), research facilities, and commercial businesses that transport animals. Research facilities that use or intend to use live animals in research, tests, or experiments must be licensed and registered with USDA and are inspected by APHIS at least once per year. A facility must also appoint an Institutional Animal Care and Use Committee (IACUC), consisting of at least (1) a chairman; (2) a veterinarian who has program responsibility for activities involving animals at the research facility; and (3) a member who is not in any way affiliated with the facility and not an immediate family member of a person who is affiliated with the facility. The IACUC is responsible for reviewing the facility's program for humane care and use of animals and inspecting the research facility's animal facilities every six months, along with various other responsibilities.

With regard to regulation of commercial animal dealers, AWA regulations establish two classes of licensed dealers – Class A and Class B dealers. A Class A dealer's business consists only of animals that are bred and raised on the premises in a closed or stable colony and animals acquired for the sole purpose of maintaining or enhancing the breeding colony. A Class B dealer's business consists of the purchase and/or resale of any animal.

A Humane Society of the United States fact sheet on Class B dealers cites concerns about the origin of the animals sold for research by Class B dealers and the level of care provided for the animals. According to the fact sheet, there are very few Class B dealers, and only a small percentage of animals used in research are obtained from Class B dealers.

State Board of Veterinary Medical Examiners

SBVME is responsible for licensing and registering veterinarians, licensing and inspecting veterinary hospitals, licensing animal control facilities, and registering veterinary technicians. The board also establishes standards for the practice of veterinary medicine in the State, investigates complaints against its licensees, issues licensure verifications to other state veterinary boards, and reviews requests for approval of continuing education.

State Revenues: Special fund revenues increase due to collection of license fees by SBVME, which are deposited in the existing State Board of Veterinary Medical Examiners Fund. Under current law, the fund holds revenues from existing fees and supports the board's operations. The amount of revenues generated from the new license fee depends on the amount of the fee set by SBVME and the number of licensees. Pursuant to the bill, the license fee must be set by SBVME at a reasonable amount necessary to cover board costs.

State Expenditures: General/special fund expenditures increase by \$158,320 in fiscal 2015, which accounts for a 120-day start-up delay. This estimate reflects the cost of hiring one veterinarian (inspector), a part-time (0.5) administrator, a part-time (0.25) assistant Attorney General, and a part-time (0.25) contractual office secretary to handle regulation of medical or scientific research facilities in the State that use dogs or cats for research purposes, including quarterly inspections of the facilities. While the bill authorizes SBVME to make an agreement with an animal welfare organization, a local animal control agency, or a similar entity to conduct the required inspections, this analysis assumes SBVME handles the inspections.

The estimate includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Regular Positions	1.75
Contractual Positions	.25
Salaries and Fringe Benefits	\$115,405
Operating Expenses	<u>42,915</u>
Total FY 2015 State Expenditures	\$158,320

Future year expenditures reflect full salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State’s implementation of the federal Patient Protection and Affordable Care Act.

MDA indicates that, according to information provided by USDA, there may be fewer than 10 research facilities in the State that currently use dogs or cats for research purposes. However, MDA advises that current SBVME staff, which is partially shared with the Maryland Horse Industry Board, cannot absorb the additional work resulting from the bill. SBVME also notes that regulation of research facilities that use dogs or cats for research purposes is largely outside of the scope of its current activities and expertise.

The expenditure increase is at least partially covered by special fund revenues generated from the license fees paid by the research facilities licensed under the bill. However, if there are only a limited number of licensees, SBVME may not be able to set a reasonable license fee that fully covers the costs of regulating the research facilities. This analysis assumes that other special fund revenues in the State Board of Veterinary Medical Examiners Fund from existing fees paid by veterinary licensees are not used to support this regulatory program. Instead, it is assumed that general funds may be needed to cover the remainder of the costs.

Additional Information

Prior Introductions: None.

Cross File: Although SB 862 (Senator Gladden - Education, Health, and Environmental Affairs) is designated as a cross file, it is different.

Information Source(s): Maryland Department of Agriculture, U.S. Department of Agriculture, The Humane Society of the United States, Department of Legislative Services

Fiscal Note History: First Reader - February 24, 2014
mm/lgc

Analysis by: Scott D. Kennedy

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