

Department of Legislative Services
 Maryland General Assembly
 2016 Session

FISCAL AND POLICY NOTE
 Third Reader - Revised

House Bill 1163 (Delegates Lam and S. Robinson)
 Environment and Transportation Education, Health, and Environmental Affairs

Agriculture - Veterinary Feed Directives - Information Collection

This bill requires a veterinarian who issues a “veterinary feed directive” to, beginning July 1, 2017, and every six months thereafter, submit to the Maryland Department of Agriculture (MDA) specified information from each veterinary feed directive issued during the previous six months. The bill establishes requirements for MDA to maintain, make publicly available, and report on the information submitted.

Fiscal Summary

State Effect: General fund expenditures increase by \$61,400 in FY 2017 due to MDA personnel costs. Future years reflect annualization and inflation. Revenues are not materially affected.

(in dollars)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	61,400	76,600	79,600	82,800	86,100
Net Effect	(\$61,400)	(\$76,600)	(\$79,600)	(\$82,800)	(\$86,100)

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

Local Effect: None.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: A “veterinary feed directive” is a written statement issued by a veterinarian licensed in the State, in the course of the veterinarian’s professional practice, that (1) orders the use of an animal drug in or on livestock or poultry feed; (2) authorizes

an owner or caretaker of livestock or poultry to obtain and use animal feed bearing or containing an animal drug to treat the livestock or poultry; and (3) meets specified federal conditions and requirements.

MDA must maintain and make available for public review all veterinary feed directive-related records and information submitted by veterinarians in a manner that provides the greatest public disclosure of records and information while protecting the identity of (1) the farm operation or owner of the farm operation for which the veterinary feed directive relates; (2) the veterinarian who issued the veterinary feed directive; and (3) the feed distributor that receives the veterinary feed directive. MDA must report on the information submitted by veterinarians to specified legislative committees by December 1, 2017, and each December 1 thereafter.

Current Law/Background: Under federal law, a veterinary feed directive drug is a drug intended for use in or on animal feed which is limited to use under the professional supervision of a licensed veterinarian. Any animal feed bearing or containing a veterinary feed directive drug must be fed to animals only by or upon a lawful veterinary feed directive issued by a licensed veterinarian in the course of the veterinarian's professional practice.

The "veterinary feed directive drug" category of animal drugs was created under the Animal Drug Availability Act of 1996, and the U.S. Food and Drug Administration (FDA) issued implementing regulations in 2000. FDA recently revised those regulations as part of the implementation of its policy framework for the judicious use of medically important antimicrobial drugs in food-producing animals. That policy framework includes bringing therapeutic uses of medically important antimicrobial drugs under the oversight of licensed veterinarians. The revised veterinary feed directive regulations are intended to help facilitate that effort by improving the efficiency of the veterinary feed directive program.

The information required to be reported by veterinarians to MDA under the bill is similar to the information required under federal regulations to be included on a veterinary feed directive.

State Expenditures: General fund expenditures increase by \$61,448 in fiscal 2017, which accounts for the bill's October 1, 2016 effective date. This estimate reflects the cost of hiring an administrative officer to manage the collection, listing, and reporting of veterinary feed directive information provided by veterinarians under the bill and assumes a need for outreach and assistance prior to initial submission of information by veterinarians. Existing personnel cannot absorb these duties. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Position	1
Salary and Fringe Benefits	\$56,633
Operating Expenses	<u>4,815</u>
Total FY 2017 State Expenditures	\$61,448

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

Small Business Effect: Veterinarians are affected, at least operationally, by the bill's reporting requirement.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Agriculture, U.S. Food and Drug Administration, Department of Legislative Services

Fiscal Note History: First Reader - February 29, 2016
 mel/lgc Revised - House Third Reader/Clarification - March 25, 2016

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