

**MISSOURI STATE AUDITOR'S OFFICE  
FISCAL NOTE (09-70)**

**Subject**

Initiative petition from Barbara Schmitz regarding a proposed amendment to Chapter 273 of the Revised Statutes of Missouri. (Received November 25, 2009)

**Date**

December 15, 2009

**Description**

This proposal would amend Chapter 273 of the Revised Statutes of Missouri.

The amendment is to be voted on in November, 2010.

**Public comments and other input**

The State Auditor's Office requested input from the **Attorney General's Office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education**, the **Department of Health and Senior Services**, the **Department of Insurance**, **Financial Institutions and Professional Registration**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Department of Social Services**, the **Governor's Office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's Office**, the **Office of the State Public Defender**, the **Office of the State Treasurer**, **Boone County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County Legislators**, **Jasper County**, **St. Charles County**, **St. Louis County**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirkwood**, the **City of St. Louis**, the **City of Springfield**, **Cape Girardeau 63 School District**, **Rockwood R-VI School District**, **Linn State Technical College**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**.

**Ketcher Law Firm, LLC** provided information in support of the initiative petition to the State Auditor's Office.

## Assumptions

The **Department of Agriculture** indicated that this initiative petition will add additional responsibilities to the department's Animal Care Program. There is core funding for current responsibilities of the Animal Care Program but the current level of funding is inadequate to meet the current level of responsibilities. The additional responsibilities added by the initiative petition cannot be accomplished with existing funding.

The Department is concerned about the legal ramifications and subsequent litigation costs that may arise given constitutional concerns over the ballot language as written.

The Animal Care Program does not have the financial resources it needs to meet the current program requirements. The additional requirements of this initiative petition would significantly increase program responsibilities and could not be accomplished without a commensurate significant increase in program funding.

The program would need 7.00 additional animal health officers, 1.00 Office Support Assistant, and related E&E to meet the additional inspection requirements regarding breeding frequencies, the reduced number of dogs allowed per kennel, veterinary care issues, and the other responsibilities specified in the petition. The estimated fiscal impact on state general revenue for program costs (based on first full fiscal year of implementation):

### On-going expenses

Salaries	\$291,087
Fringe benefits	\$152,646
<u>Exp/Equip</u>	<u>\$77,623</u>
Subtotal	\$521,356

### One-time expenses

<u>Exp/Equip</u>	<u>\$133,412</u>
Total	\$654,768

The **Department of Economic Development** indicated that this initiative petition will have no fiscal impact on their department.

The **Department of Higher Education** indicated that this initiative petition will have no direct, foreseeable fiscal impact on their department.

The **Department of Insurance, Financial Institutions and Professional Registration** indicated this initiative, if passed, will have no cost or savings to the department.

The **Department of Mental Health** indicated this proposed initiative petition should have no fiscal impact to the department.

The **Department of Natural Resources** indicated the department would not anticipate a direct fiscal impact from this initiative petition.

The **Department of Corrections** indicated this initiative petition will have no impact on the department.

The **Department of Labor and Industrial Relations** indicated this initiative petition will have no fiscal impact on the department.

The **Department of Revenue** indicated this initiative petition will not have a fiscal impact on the department.

The **Department of Public Safety** assumes there will be no fiscal impact due to this initiative petition.

The **Department of Social Services** indicated that this initiative petition will not have any fiscal impact to the department.

Officials from the **Governor's Office** indicated there should be no added costs or savings to their office if this amendment is approved by the voters.

Officials from the **Missouri House of Representatives** indicated this proposed initiative petition will have no fiscal impact to the operations budget of their agency.

The **Department of Conservation** indicated no adverse fiscal impact is expected to their department as a result of this proposal.

The **Department of Transportation** indicated this initiative petition has no fiscal impact on their department.

The **Office of Administration** indicated that there should be no added cost or savings to the department if this statutory amendment is passed by the voters.

The **Office of State Courts Administrator** indicated there is no cost to the courts for this initiative petition.

Officials from the **Missouri Senate** indicated that the initiative appears to have no fiscal impact as it relates to their agency.

Officials from the **Secretary of State's Office** indicated their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article I, Section 26, 27, 28 of the Missouri Constitution and Section 116.230-116.290, RSMo. The Secretary of State's office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. Funding for this item is adjusted each year depending upon the election cycle with \$1.3 million historically appropriated in odd numbered fiscal years and \$100,000 appropriated in even

numbered fiscal years to meet these requirements. The appropriation has historically been an estimated appropriation because the final cost is dependent upon the number of ballot measures approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2009, at the August and November elections, there were 5 statewide Constitutional Amendments or ballot propositions that cost \$1.35 million to publish (an average of \$270,000 per issue). Therefore, the Secretary of State's office assumes, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements.

Officials from the **Office of the State Public Defender** indicated this initiative petition regarding the creation of a new crime, puppy mill cruelty, a new class C misdemeanor may have limited impact on the State Public Defender System. If an indigent person were to be charged with this new state crime - it would be the Public Defender's responsibility to provide representation to him/her in the state courts. In fiscal year 2009, the State Public Defender provided representation in 21 cases for animal neglect and in 65 cases for animal abuse.

Officials from the **Office of the State Treasurer** indicated this initiative petition will not have any impact on their office.

Officials from **Jasper County** indicated if a new section to be known as 273.345 RSMO were added regulating puppy mills, Jasper County may incur increased law enforcement costs as we have an animal control division in our Sheriff's Department. I do not anticipate any appreciable increase in patrol costs as the animal control officer is on patrol regularly. If a puppy mill was uncovered where the animals involved were not being well taken care of under the provisions of this proposed law, then the County may have to place the animals in local animal shelters at a fee to the County. I would estimate the total costs involved to enforce this regulation at no more than \$10,000. This would include any unrecoverable costs paid to legitimate animal shelters mentioned previously.

Officials from **St. Louis County** indicated that this initiative petition would not impact St. Louis County Government in any way, except for the creation of a criminal prohibition which might from time-to-time be prosecuted by the Prosecuting Attorney. The statute would have no impact on the operation of County animal shelters.

Officials from the **City of Jefferson** indicated the city does not anticipate any fiscal impact should this petition become law.

Officials from the **City of St. Louis** indicated this initiative petition will save the City of St. Louis hundreds of thousands of dollars from the general fund. Each time a puppy mill is closed in out state Missouri the excess animals are shipped to the Humane Society of Eastern MO for medical care and adoption. This increases the burden of caring for strays and adoptable animals and makes it more costly and difficult for the City shelter to place the animals in our care.

The City takes in over 8,000 unwanted animals per year at a cost to the city of \$1,192,469 or approximately \$125 per animal. The City is in the process of building a new shelter at the cost of \$4 million dollars to meet the increasing demand for unwanted animals. Two other not-for profits are building shelters at this time as well.

Reducing the amount of excess breeding, abuse and abandonment currently occurring in puppy mills across the state is one of the most effective ways to reduce the cost to the taxpayers of the City of St. Louis for the care of unwanted and abused animals.

A conservative estimate is that this legislation will save the City of St. Louis from a minimum of \$200,000 annually to a maximum of \$4,000,000 one time expense for a new and expanded shelter.

Officials from the **Rockwood R-VI School District** indicated the district will have neither cost or savings from this measure.

Officials from **Linn State Technical College** indicated that based on the information presented, there appears to be no fiscal impact on their organization.

**Metropolitan Community College** indicated this petition would have no direct fiscal impact on their organization.

**Bradley Ketcher, Ketcher Law Firm, LLC** indicated in summary, the proposed initiative will have no or little fiscal impact on state or local government. In addition, it offers some opportunity for cost savings.

The State Auditor's Office did not receive a response from the **Attorney General's Office**, the **Department of Elementary and Secondary Education**, the **Department of Health and Senior Services**, **Boone County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County Legislators**, **St. Charles County**, the **City of Columbia**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirkwood**, the **City of Springfield**, **Cape Girardeau 63 School District**, **University of Missouri**, **St. Louis Community College**.

### **Fiscal Note Summary**

It is estimated state governmental entities will incur costs of \$654,768 (on-going costs of \$521,356 and one-time costs of \$133,412). Some local governmental entities may experience costs related to enforcement activities and savings related to reduced animal care activities.