

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: SB 805 - A**

Seventy-Sixth Oregon Legislative Assembly – 2011 Regular Session  
Legislative Fiscal Office

Prepared by: John Terpening  
Reviewed by: Paul Siebert  
Date: 4-21-2011

**Measure Description:**

Creates offense of unlawfully confining egg-laying hen.

**Government Unit(s) Affected:**

Department of Agriculture

**Summary of Expenditure Impact:**

Agency – Fund Type	2011-13 Biennium	2013-15 Biennium
Department of Agriculture – General Funds	\$65,470	\$12,500

**Local Government Mandate:**

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

**Analysis:**

The measure creates the offense of unlawfully confining an egg-laying hen that does not comply with rules adopted by the Department of Agriculture. The measure defines the minimum standards for enclosure and allows the Department to impose a maximum civil penalty of \$2,500. The penalties recovered are paid into the General Fund. The measure requires commercial farm owners or operators that engage in egg production to submit a business plan describing plans to comply with the Department's rules on confinement at time of licensure renewal. These requirements become operative January 1, 2012.

The measure directs the Department to inspect commercial farms engaged in egg production for compliance beginning July 1, 2015, and allows the Department to collect fees for the inspections. The moneys from the fees collected must be deposited into the Department of Agriculture Service Fund and are continuously appropriated to the Department for compliance enforcement. The Department is directed to report annually to the Legislative Assembly on the commercial farm compliance rates.

The measure adjusts the confinement rules beginning July 1, 2017; requires that 25% or more of enclosures meet certain standards by 2020; requires that 65% or more of enclosures meet certain standards by 2023; and beginning July 1, 2026 the measure removes the requirement for commercial farms submitting business plans and the annual reporting requirements of the Department to the Legislative Assembly.

The Department assumes one-time startup costs for the program to be around \$65,470 General Fund in 2011-13. Included in these costs are rule-making, consultation fees for expertise, and public outreach. The Department assumes that the anticipated workload for startup costs and reviewing business plans will be accomplished by existing staff through reprioritizing duties and responsibilities.

The Department assumes that additional General Fund support would be required in 2015-17 to begin implementation of the inspections until fees generated from the inspections can fund the program.

The Legislative Fiscal Office notes that the civil penalty revenue as a result of this measure is indeterminate.