
MEMORANDUM

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To: Natural Resources Subcommittee

From: Paul Siebert, Legislative Fiscal Office
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Date: May 18, 2015

Subject: SB 255
Work Session Recommendations

SB 255 relates to registration fees for products used to treat animals. The bill increases the statutory cap on the Department of Agriculture's Veterinary Products Registration fee from \$75 to \$150. Veterinary products registration fees and Animal Health Laboratory fees are the sole source of Other Funds revenue for the Animal Health program. The current fee is set at the maximum \$75. The cap was last increased to \$75 in 2003. The bill includes an Emergency Clause.

The measure, the original staff measure summary, preliminary Joint Committee on Ways and Means staff measure summary, and fiscal impact statement are available on the Oregon Legislative Information System (OLIS).

Depending on final General Fund appropriation supporting the program the Department estimates it may have to raise the fee to \$100 during the 2015-17 biennium. If the fee were raised to \$100 it would generate approximately \$75,000 annually. No revenue from this increase is assumed in HB 5002, the budget bill for the Department of Agriculture. If the Department were to raise fees during the 2015-17 biennium they would either need to have this fee revenue approved in the 2016 session or submit a fee ratification bill during the 2017 session.

Measure to Full

LFO recommends the measure be moved to the full Joint Committee on Ways and Means.

Motion #1: Move SB 255 to the full committee with a “do pass” recommendation.

Assignment of Carriers

Full: _____
2nd Chamber: _____

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 255

Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Prepared by: Tim Walker
Reviewed by: Paul Siebert
Date: 05/11/2015

Measure Description:

Raises limit on fees for annual registration of animal remedy, veterinary biologic or pharmaceutical.

Government Unit(s) Affected:

Department of Agriculture

Summary of Expenditure Impact:

See Analysis.

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: This bill would increase to the Veterinary Product Registration fee from the current statutory fee cap of \$75 per product to \$150 per product registered and allows the department to make annual registration fees retroactive to July 1, 2015.

If the Department of Agriculture were to raise the fee to its statutory maximum under this bill, ODA estimates approximately 3,000 products per year would be registered, resulting in revenue of \$225,000 per year. Until ODA's Legislatively Adopted Budget is finished, it will not be clear at what level the department will set the rate. ODA estimates that rulemaking will cost \$5,000 OF and this would be a one-time expenditure. Although the bill allows ODA to charge these fees retroactively, they do not intend to do so.

PRELIMINARY STAFF MEASURE SUMMARY

Joint Committee On Ways and Means

Fiscal: Fiscal impact issued

Revenue: No Revenue Impact

Action Date:

Action:

Meeting Dates:

Prepared By: Paul Siebert, Budget Analyst

WHAT THE MEASURE DOES:

Raises limit on fees for annual registration of animal remedy, veterinary biologic or pharmaceutical from \$75 to \$150. Declares emergency, effective July 1, 2015.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

An animal remedy means any product used to prevent, inhibit or cure illness or enhance or protect the health or well-being of animals. Oregon law requires any animal remedy, veterinary biologic or pharmaceutical to be registered with the Oregon Department of Agriculture. The current registration fee is \$75.00 per product, per year.

Senate Bill 255 raises the limit on fees for annual registration of animal remedy, veterinary biologic or pharmaceutical to \$150. The limit on fees for annual registration of animal remedy, veterinary biologic or pharmaceutical was last increased in 2003.

Senate Bill 255

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Governor John A. Kitzhaber, M.D., for State Department of Agriculture)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Raises limit on fees for annual registration of animal remedy, veterinary biologic or pharmaceutical.

Declares emergency, effective July 1, 2015.

A BILL FOR AN ACT

1
2 Relating to registration fees for products used to treat animals; creating new provisions; amending
3 ORS 596.100; and declaring an emergency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 596.100 is amended to read:

6 596.100. (1) No person shall sell, offer or expose for sale, or deliver to a user, an animal remedy,
7 veterinary biologic or pharmaceutical, in package or in bulk, which has not been registered with the
8 State Department of Agriculture. Products regulated under the Federal Insecticide, Fungicide, and
9 Rodenticide Act which are registered with the department under ORS chapter 634 are not required
10 to be registered under this section. Except as otherwise provided by law, the manufacturer of each
11 brand of animal remedy, veterinary biologic and pharmaceutical to be sold in the state, whether in
12 package or in bulk, shall register those products with the department annually. Manufacturers who
13 sell more than one animal remedy, veterinary biologic or pharmaceutical in the state may register
14 all such products on one application.

15 (2) The application for registration of an animal remedy, veterinary biologic or pharmaceutical
16 shall be made on forms provided by the department and shall be accompanied by an annual regis-
17 tration fee for each product in an amount not to exceed [\$75] **\$150** as the department, by rule, shall
18 determine. The application for registration shall be made by July 1 of each year and shall be ac-
19 companied by a list of the animal remedies, veterinary biologics and pharmaceuticals the applicant
20 for registration expects to market during the ensuing year.

21 (3) The department shall deposit all fees received in the Department of Agriculture Service
22 Fund, and such fees are continuously appropriated to the department for the purpose of adminis-
23 tering and enforcing ORS chapters 596 and 599.

24 **SECTION 2.** **If this 2015 Act takes effect after July 1, 2015, the Legislative Assembly in-**
25 **tends that the State Department of Agriculture may make annual registration fees adopted**
26 **by department rule on or before 30 days after the effective date of this 2015 Act retroactive**
27 **to July 1, 2015.**

28 **SECTION 3.** **This 2015 Act being necessary for the immediate preservation of the public**
29 **peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect**
30 **July 1, 2015.**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

