

OFFICE OF FISCAL ANALYSIS

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sHB-5223

AN ACT CONCERNING MINOR REVISIONS TO AGRICULTURE
RELATED STATUTES.

As Amended by House "A" (LCO 5170)

House Calendar No.: 86

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 25 \$	FY 26 \$
Insurance Dept.	IF - Cost	50,000	None
Resources of the General Fund	GF - Potential Revenue Gain	Up to \$25,000	Up to \$25,000

Note: GF=General Fund; IF=Insurance Fund

Municipal Impact: None

Explanation

The bill results in a potential General Fund revenue gain of up to \$25,000 per year, beginning in FY 25, from requiring businesses to get separate commercial kennel, grooming facility, and training facility licenses from the Department of Agriculture. The annual revenue gain will be dependent on the number of licensed commercial kennels that are also engaged in the business of grooming or training that will need to obtain a separate license for these operations.

The bill also requires the Insurance Department (DOI) to conduct a feasibility study for establishing a captive insurance company to assist farmers impacted by severe weather. This results in an Insurance Fund cost of approximately \$50,000 in FY 25 for DOI to hire an actuarial firm with expertise in catastrophe modeling to conduct the study and produce a report by January 1, 2025. DOI does not have the capacity to do the study internally.

The other provisions of the bill make modifications to current statutes that are not anticipated to result in a state or municipal fiscal impact.

House "A" added the requirement that the (DOI) conduct a feasibility study for establishing a captive insurance company to assist farmers, which results in an Insurance Fund cost of approximately \$50,000 in FY 25 as described above.

House "A" also modifies the age when a dog or cat must be vaccinated against rabies, which is not expected to result in a fiscal impact.

The Out Years

The annualized ongoing fiscal impact identified above will continue subject the number of businesses applying annually for multiple licenses.