

Office of Regulatory Management
Economic Review Form

Agency name	Board of Agriculture and Consumer Services
Virginia Administrative Code (VAC) Chapter citation(s)	2 VAC 5-105
VAC Chapter title(s)	Regulations Pertaining to Pet Shops Selling Dogs or Cats
Action title	Promulgate regulation required by Chapter 1284 of the 2020 Acts of Assembly
Date this document prepared	May 24, 2023
Regulatory Stage (including Issuance of Guidance Documents)	Final Stage

Cost Benefit Analysis

Complete Tables 1a and 1b for all regulatory actions. You do not need to complete Table 1c if the regulatory action is required by state statute or federal statute or regulation and leaves no discretion in its implementation.

Table 1a should provide analysis for the regulatory approach you are taking. Table 1b should provide analysis for the approach of leaving the current regulations intact (i.e., no further change is implemented). Table 1c should provide analysis for at least one alternative approach. You should not limit yourself to one alternative, however, and can add additional charts as needed.

Report both direct and indirect costs and benefits that can be monetized in Boxes 1 and 2. Report direct and indirect costs and benefits that cannot be monetized in Box 4. See the ORM Regulatory Economic Analysis Manual for additional guidance.

Table 1a: Costs and Benefits of the Proposed Changes (Primary Option)

<p>(1) Direct & Indirect Costs & Benefits (Monetized)</p>	<p>Chapter 1284 of the 2020 Acts of Assembly (Act) requires the Board of Agriculture and Consumer Services (Board) to adopt a regulation governing the keeping of dogs and cats by a pet shop and establishes specific provisions this regulation must include. As mandated by the Act, the proposed regulation requires a regulated person or facility to register with the Department of Agriculture and Consumer Services (VDACS) and pay a fee of \$250 annually. This regulation also establishes standards of adequate care, exercise, feed, shelter, space, treatment, water, proper cleaning, and lighting. This regulation requires at least one unannounced inspection by the State Animal Welfare Inspector annually. Finally, the regulation establishes remedies for each finding of noncompliance in a given inspection.</p> <p>Direct and Indirect Costs: Chapter 1284 of the 2020 Acts of Assembly requires that each pet shop pay a registration fee annually of \$250. There are an estimated maximum of 20 pet shops in the Commonwealth that will be subject to this annual registration fee. All of these pet shops will need to consult with a veterinarian when developing certain protocols, and some veterinarians may charge for this consultation. While most pet shops have the infrastructure to be compliant with the regulations, some may need to make minimal investment to come into compliance. There is no data or methodology with which the agency can determine what investments might be needed for the approximately 20 firms to comply with this new regulation.</p> <p>Direct and Indirect Benefits: Chapter 1284 of the 2020 Acts of Assembly requires that each pet shop pay a registration fee annually of \$250 to the department. The agency estimates there are a maximum of 20 pet shops in the Commonwealth, resulting in an estimated total benefit to the department in registration fee revenue of \$5,000 annually. There are no monetizable indirect benefits associated with this regulation. However, the general welfare of the public is protected when regulations are promulgated in compliance with statutory requirements. The goal of the statutory and regulatory requirements is to standardize welfare requirements for dogs and cats sold by retail pet shops.</p>	
<p>(2) Present Monetized Values</p>	<p>Direct & Indirect Costs (a) 5,000 + indeterminate</p>	<p>Direct & Indirect Benefits (b) 5,000</p>
<p>(3) Net Monetized Benefit</p>	<p>0</p>	

(4) Other Costs & Benefits (Non-Monetized)	N/A
(5) Information Sources	The estimated number of pet shops comes from a survey conducted by the agency of local animal control officers on the existence of pet shops in their jurisdiction.

Table 1b: Costs and Benefits under the Status Quo (No change to the regulation)

(1) Direct & Indirect Costs & Benefits (Monetized)	Chapter 1284 of the 2020 Acts of Assembly requires the Board to adopt a regulation governing the keeping of dogs and cats by a pet shop. As such, the agency is not able to maintain the status quo.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) N/A	(b) N/A
(3) Net Monetized Benefit	N/A	
(4) Other Costs & Benefits (Non-Monetized)	N/A	
(5) Information Sources	N/A	

Table 1c: Costs and Benefits under Alternative Approach(es)

(1) Direct & Indirect Costs & Benefits (Monetized)	Chapter 1284 of the 2020 Acts of Assembly requires the Board to adopt a regulation governing the keeping of dogs and cats by a pet shop and establishes specific provisions this regulation must include. There is no alternative approach.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) N/A	(b) N/A
(3) Net Monetized Benefit	N/A	
(4) Other Costs & Benefits (Non-Monetized)	N/A	

(5) Information Sources	N/A
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Impact on Local Partners

Use this chart to describe impacts on local partners. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 2: Impact on Local Partners

(1) Direct & Indirect Costs & Benefits (Monetized)	This regulation will have no direct or indirect impact on local partners.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) N/A	(b) N/A
(3) Other Costs & Benefits (Non-Monetized)	N/A	
(4) Assistance	N/A	
(5) Information Sources	N/A	

Impacts on Families

Use this chart to describe impacts on families. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 3: Impact on Families

(1) Direct & Indirect Costs & Benefits (Monetized)	Direct and Indirect Costs: There are no monetizable direct or indirect costs to families associated with this regulation. Direct and Indirect Benefits: There are no monetizable direct or indirect benefits to families associated with this regulation.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits

	(a) N/A	(b) N/A
(3) Other Costs & Benefits (Non-Monetized)	The general welfare of the public is protected when regulations are promulgated in compliance with statutory requirements.	
(4) Information Sources	N/A	

Impacts on Small Businesses

Use this chart to describe impacts on small businesses. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 4: Impact on Small Businesses

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct and Indirect Costs: Chapter 1284 of the 2020 Acts of Assembly requires that each pet shop pay an annual registration fee of \$250. There are an estimated 20 pet shops in the Commonwealth that will be subject to this annual registration fee. All of these pet shops will need to consult with a veterinarian when developing certain protocols, and some veterinarians may charge for this consultation. While most pet shops have the infrastructure to be compliant with the regulations, some may need to make minimal investment to come into compliance. There is no data or methodology with which the agency can determine what investments might be needed for the approximately 20 firms to comply with this new regulation.</p> <p>Direct and Indirect Benefits: There are no monetizable direct or indirect benefits associated with this regulation.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) \$5,000	(b) 0
(3) Other Costs & Benefits (Non-Monetized)	<p>The general welfare of the public is protected when regulations are promulgated in compliance with statutory requirements. The goal of the statutory and regulatory requirements is to standardize welfare requirements for dogs and cats sold by retail pet shops. Additionally, pet shops may benefit from improved public perception by complying with standardized requirements.</p>	
(4) Alternatives	The agency has not identified any feasible alternatives to this regulation.	

(5) Information Sources	The estimated number of pet shops comes from a survey conducted by the agency of local animal control officers on the existence of pet shops in their jurisdiction.
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Changes to Number of Regulatory Requirements

Table 5: Regulatory Reduction

For each individual action, please fill out the appropriate chart to reflect any change in regulatory requirements, costs, regulatory stringency, or the overall length of any guidance documents.

“R/D” means discretionary regulatory requirements governing regulated parties.

“R/S” means statutory regulatory requirements governing regulated parties.

“G/D” means discretionary regulatory requirements governing agency/agencies.

“G/S” means statutory regulatory requirements governing agency/agencies.

VAC Section(s) Involved	Authority of Change	Initial Count	Additions	Subtractions	Net Change
2 VAC 5-105-10	Statutory:	N/A	0	0	0
	Discretionary: Va. Code § 3.2-6501.1	N/A	0	0	0
2 VAC 5-105-20	Statutory: Va. Code § 3.2-6501.1	N/A	2 R/S	0	+2 R/S
	Discretionary: Va. Code § 3.2-6501.1	N/A	1 R/D	0	+1 R/D
2 VAC 5-105-30	Statutory: Va. Code § 3.2-6501.1	N/A	1 R/S	0	+1 R/S
	Discretionary: Va. Code § 3.2-6501.1	N/A	1 R/D	0	+1 R/D
2 VAC 5-105-40	Statutory:	N/A	0	0	0
	Discretionary: Va. Code § 3.2-6501.1	N/A	21 R/D	0	+21 R/D
2 VAC 5-105-50	Statutory: Va. Code § 3.2-6501.1	N/A	1 R/S	0	+1 R/S
	Discretionary: Va. Code § 3.2-6501.1	N/A	1 R/D	0	+1 R/D
2 VAC 5-105-60	Statutory: Va. Code § 3.2-6501.1	N/A	2 R/S	0	+2 R/S
	Discretionary: Va. Code § 3.2-6501.1	N/A	3 R/D; 5 G/D	0	+3 R/D; + 5 G/D

Cost Reductions or Increases (if applicable)

VAC Section(s) Involved	Description of Regulatory Requirement	Initial Cost	New Cost	Overall Cost Savings/Increases
2 VAC 5-105-20	\$250 annual registration fee required by Va. Code § 3.2-6501.1	\$0	\$250	\$250

Other Decreases or Increases in Regulatory Stringency (if applicable)

VAC Section(s) Involved	Description of Regulatory Change	Overview of How It Reduces or Increases Regulatory Burden
N/A	N/A	N/A

Length of Guidance Documents (only applicable if guidance document is being revised)

Title of Guidance Document	Original Length	New Length	Net Change in Length
N/A	N/A	N/A	N/A