

SESSION OF 2018

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2477**

As Amended by Senate Committee of the Whole

**Brief\***

HB 2477, as amended, would make several changes to the Kansas Pet Animal Act (Act) pertaining to licensure of those providing temporary care of dogs or cats, maximum license fees, notice of inspections, requested inspections, no-contact inspections, failed inspections, and license renewal dates.

***Temporary Care of Dogs and Cats***

The bill would prohibit the Kansas Department of Agriculture (KDA) from requiring the license of any individual who has written and signed an agreement to provide temporary care for one or more dogs or cats owned by an animal shelter licensed pursuant to the Act.

The bill would require animal shelters to keep a current list of individuals who have written and signed an agreement to provide temporary care.

***Fee Maximums***

The bill would adjust the maximum fees that may be prescribed by the Commissioner of Animal Health (Commissioner) for the license categories found in the Act. The actual fees to be charged would be set under rules and regulations adopted by the Secretary of Agriculture, the authority for which is current law. The adjustments to fee maximums would be as follows:

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

- Fee maximums for animal distributors and breeders licensed under federal law (U.S. Department of Agriculture) would increase from \$200 to \$450; and
- Fee maximums for research facilities and pet shops would increase from \$405 to \$600.

In addition, the bill would remove the license fee for an animal shelter or a pound and create three new license fee categories for shelters in cities of the first, second, and third class. The new license fee categories would be:

- Animal shelter, city of the first class: an amount not to exceed \$400;
- Animal shelter, city of the second class: an amount not to exceed \$335;
- Animal shelter, city of the third class: an amount not to exceed \$285; and
- Hobby breeder: an amount not to exceed \$250.

For premises that require more than one license under the conditions of the Act, the bill would require the premises pay for the most expensive license and a \$50 fee for each additional license.

A late fee of \$70 would be assessed when a permit or license is not renewed prior to October 1. Currently, a late fee of \$70 is assessed if a license or permit renewal is more than 45 days late.

## ***Inspections***

### *Notice of Inspections*

The bill would require that no notice be given to any person prior to an inspection. Current law states notice “need not be given prior to inspection.”

### *Requested Inspections*

The bill would allow the Commissioner to charge a fee of \$200 to cover the cost of an inspection requested by a licensee, permittee, or applicant for a license or permit of their premises.

### *No-contact Inspections*

The bill would also establish fees for no-contact inspections. Each no-contact inspection would result in a \$200 no-contact fee for the owner of the premises, the licensee, or other permittee. The Commissioner, or the Commissioner’s authorized representative, would be required to make a second or subsequent attempt to inspect the premises.

A no-contact inspection would be defined as the failure by the owner of the premises, a licensee or a permittee, or their designated representative to make a premises available for inspection within 30 minutes of the arrival of the inspector or the inspector’s authorized representative.

### *Failed Inspections*

The bill would require a \$200 re-inspection fee for any subsequent re-inspection to be paid by the premises’ owner, licensee, or permittee that has failed an inspection. The payment would be made prior to the re-inspection of the premises. Failure to pay the re-inspection fee would result in

the revocation of the licensee's or permittee's license or permit. The owner of the premises would then be required to reapply for any licenses or permits that were revoked and complete the following:

- Pay the fee for the new permit or license application;
- Pass an initial inspection; and
- Pay any past due fees.

### ***License Renewals***

The bill would change the definition of "license or permit year" to mean the 12-month period ending on September 30. The current license year ends on June 30. The license periods would change to end on September 30 for the following types of licensees:

- Animal breeder;
- Animal distributor;
- Boarding or training kennel;
- Hobby breeder;
- Pet shop operator;
- Pound or animal shelter;
- Out-of-state distributor;
- Research facility; and
- Retail breeder.

### ***Effective Date***

The bill would be in effect upon publication in the *Kansas Register*.

## **Background**

The bill was introduced by the House Committee on Agriculture at the request of a representative of the KDA.

In the House Committee hearing, a Deputy Secretary of Agriculture provided testimony in favor of the bill, stating the amended fee structure in the bill will enable the animal facilities inspection (AFI) program to continue providing critical service to the pet animal industry while reducing the program's reliance on the State General Fund. The Deputy Secretary also stated the license renewal date change would codify the September 30 renewal date the KDA has been requesting through budget provisos for several years. The Associate Counsel for the Kansas Livestock Association (KLA) also provided testimony in favor of the bill, stating in 2010, the KLA supported legislation that significantly increased animal disease control fees assessed to the livestock industry, and that an increase in AFI fees should result in a more equitable distribution of State General Fund moneys between the two programs. Written-only proponent testimony was provided by representatives of BJ and Guys, LLC, Kansas Pet Professionals, Kansas Veterinary Medical Association, Petland Topeka, and an animal kennel operator. The representatives stated there is a need for increased fees for the pet animal industry in Kansas so the KDA can better support the AFI program.

Opponent testimony was provided by representatives of Beauties and Beasts Rescue (Wichita), Helping Hands Humane Society of Topeka, the Humane Society Legislative Fund of Kansas, and the Humane Society of the United States. Written-only opponent testimony was provided by Hands of Hope Rescue, the Humane Society of Leavenworth County, the Kansas Animal Control Association, K-9 Karma Animal Advocates, K-9 Rescue, the Lawrence Humane Society, and the Wichita Animal Action League. The representatives generally stated the bill would place a burden on nonprofits by raising fees on animal shelters and rescue organizations that deal with the overpopulation of companion

animals in many communities and does not penalize non-compliant actors in the industry. In addition, the representatives stated action related to the Act should be postponed until the Kansas Legislative Division of Post Audit has completed its audit of the the AFI program.

Neutral testimony was provided by a representative of the Kansas Federation of Animal Owners. The representative stated the bill would address the fee schedule and only slightly modify license categories.

The House Committee amended the bill to:

- Prohibit the KDA from requiring a license of any individual who has written and signed an agreement to provide temporary care for one or more dogs or cats owned by an animal shelter or other premises licensed pursuant to the Act and require any such animal shelter or licensed premises to keep a current list of all such individuals;
- Remove the current license for an animal shelter or pound and create three new license categories, for shelters in cities of the first, second, and third class;
- Charge a \$200 fee to cover the cost of requested premises inspections for a licensee, permittee, or applicants for a license or permit;
- Define what constitutes a no-contact inspection and establish a \$200 fee for any such occurrence; and
- Establish a \$200 re-inspection fee and penalties for failure to pay such fee.

The House Committee of the Whole amended the bill to:

- Make technical corrections to numbering in the bill;
- Require no notice be given to any person prior to any inspection; and
- Remove references to “other premises” with regard to licensing individuals who have written and signed an agreement to provide temporary care for one or more dogs or cats owned by an animal shelter.

In the Senate Committee on Agriculture and Natural Resources hearing on the bill, proponents included representatives from the Kansas Department of Agriculture (Department), the Kansas Livestock Association (KLA), Beauties and Beasts Rescue (Wichita), the Humane Society of the United States, the Humane Society Legislative Fund, the Midwest Alliance for Animals, and a community animal advocate from Fairway, Kansas.

The representative of the Department stated the amended fee structure in the bill would enable the animal facilities inspection (AFI) program to continue providing critical services to the pet animal industry while reducing the program’s reliance on the State General Fund. The conferee appearing on behalf of the KLA also provided testimony in favor of the bill, stating in 2010, the KLA supported legislation that significantly increased animal disease control fees assessed to the livestock industry and an increase in AFI fees should result in a more equitable distribution of State General Fund moneys between the two programs. Other conferees were concerned about the issue of notice prior to inspection.

Opponent testimony was presented by a representative of the Kansas Federation of Animal Owners. This conferee raised issues with the notice of inspection and associated fees, as well as license fee increases.

Neutral testimony was presented by a representative of Kansas Pet Professionals. This conferee indicated the fee increases in the bill were necessary but any policy changes should wait until the Legislative Division of Post Audit completes its review of the companion animal program.

The Senate Committee amended the bill to return language to current law so that notice for inspection “need not be given” rather than the proposed language, which stated “notice shall not be given.”

The Senate Committee of the Whole amended the bill to require that no notice be given to any person prior to an inspection. Current law states notice “need not be given prior to inspection.”

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the KDA states enactment of the bill would result in additional revenues of \$167,585 and additional expenditures of \$77,868, for a net increase to agency fee fund revenues of \$89,717. Through FY 2018, the AFI program has employed three inspectors who perform routine inspections of animal facilities. One of these inspectors plans to retire at the end of FY 2018 and, in order to operate the program within existing resources, that position will not be refilled in FY 2019. The reduction in the number of inspectors will cause the agency to convert to only complaint-based inspections as there will no longer be adequate staff to perform routine inspections. If the bill is enacted, the agency will fill the existing position and continue to perform routine inspections. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2019 Governor’s Budget Report*.