

Department of Legislative Services
 Maryland General Assembly
 2011 Session

FISCAL AND POLICY NOTE
 Revised

House Bill 940
 Economic Matters

(Delegate Hucker, *et al.*)
 Education, Health, and Environmental Affairs

Counties - Kennel Licenses - Requirements for Breeders

This bill requires a person to obtain a kennel license if (1) the person owns or has custody of 15 or more unsprayed female dogs over six months old; (2) the dogs are kept for the purpose of breeding and selling their offspring; and (3) the person sells dogs from six or more litters per year.

By January 15 of each year, each county must report the information collected for the preceding year to the Department of Labor, Licensing, and Regulation (DLLR).

Fiscal Summary

State Effect: General fund expenditures by DLLR increase by \$12,100 in FY 2012 due to contractual and operational costs associated with meeting the bill’s requirements. Out-year expenditures reflect ongoing costs. Revenues are not affected.

(in dollars)	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	12,100	3,100	3,100	3,100	3,100
Net Effect	(\$12,100)	(\$3,100)	(\$3,100)	(\$3,100)	(\$3,100)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: Local operations and expenditures are affected minimally to comply with the requirements of the bill. Legislative Services assumes that counties will increase or create additional kennel licensing fees as authorized to cover additional costs. **This bill may impose a mandate on a unit of local government.**

Small Business Effect: Minimal for dog breeders that are small businesses.

Analysis

Bill Summary: For each kennel license issued in a county, the county must collect and maintain a record of the name and address of the licensee, the number of dogs maintained, and the number of puppies sold in the preceding year. The bill also authorizes a county to establish additional kennel license fees to cover the cost of collecting and maintaining the information and submitting the reports. The bill does not prevent counties from establishing more stringent licensing requirements.

Current Law: There are no statewide license or fee requirements for dog breeders in Maryland. Dog owners, however, must obtain a license for each dog kept in the State. Specific provisions related to the licensing of dogs vary from county to county. In most counties, the owner of a dog over six months old must apply for a one-year license on or before July 1 of each year.

While many counties are authorized to set their own dog and kennel license fees, (and a few others are authorized to also set terms and/or forms for such licenses), in general, the fees for dog licenses are \$1 for each male or spayed female dog, \$2 for each unspayed female dog, \$10 for a kennel license for owning or keeping up to 25 dogs, and \$20 for a kennel license for keeping more than 25 dogs.

Background: The federal Animal Welfare Act (AWA) of 1966 regulates certain animal activities and requires that commercial dog breeders be licensed and routinely inspected by the U.S. Department of Agriculture. Many dogs sold as pets in the United States have been bred in commercial dog breeding facilities that mass-produce dogs for sale to pet stores (often called puppy mills). Substandard conditions are commonly reported at these facilities. Due to the frequently poor breeding conditions, puppies bred by commercial breeders can be ill-tempered and may suffer from poor health. Animals sold directly to the public or owned by individuals are not covered by the AWA.

State Fiscal Effect: DLLR's resources are very constrained due to cost containment measures. Additional responsibilities, however minimal, cannot necessarily be absorbed within the agency's existing budgeted resources – especially in cases where the activity is outside of the purview of the agency's current regulatory activities.

DLLR advises that the regulation of animals is outside the purview of the agency's activities. Although the bill only requires DLLR to receive reports, it is likely that additional operational and fiscal impacts result from the bill. DLLR advises that it needs additional contractual staffing and support to (1) handle the responsibility of receiving the required reports from each county; (2) respond to inquiries from the public; and (3) post information about the licensing of kennels on the agency's website. Legislative Services concurs.

As a result, general fund expenditures by DLLR increase by \$12,066 in fiscal 2012 to set up a telephone line to receive inquiries about the licensing of kennels, post information on the agency's website, and to contract for the services of a part-time employee on a temporary basis to communicate with the counties and ensure compliance with the reporting requirement. Future year expenses decrease to about \$3,100 annually to continue operating a telephone line and to retain the services of a temporary contractual employee for one month or less each year – to ensure that records required by the bill are received and properly maintained and that any inquiries from counties or the public have been addressed.

Local Fiscal Effect: Each county that does not currently license kennels must establish a licensing program and must maintain records in a manner specified by the bill. Counties must train animal control officers to collect these records during routine inspections. Finally, the counties must compile records and submit them to DLLR by January 15 of each year. As a result, the bill may have an operational or fiscal effect on some counties. In turn, the counties may increase or establish additional kennel licensing fees to cover the costs of maintaining the records required by the bill.

Additional Information

Prior Introductions: None.

Cross File: SB 839 (Senator Gladden) - Education, Health, and Environmental Affairs.

Information Source(s): Charles, Frederick, and Montgomery counties; Maryland Association of Counties; Department of Labor, Licensing, and Regulation; Department of Legislative Services

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