

Department of Legislative Services  
Maryland General Assembly  
2020 Session

**FISCAL AND POLICY NOTE**  
**Third Reader - Revised**

Senate Bill 625

(Senator Kramer, *et al.*)

Finance

Economic Matters

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**Business Regulation – Retail Pet Stores – Modifications (No More Puppy– and Kitten–Mills Act of 2020)**

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This bill alters the definition of “retail pet store” to include brokers, exclude certain other establishments, and no longer specify that the store be open to the public. Specifically, “retail pet store” includes a broker, as defined in current law, but does not include an establishment at which (1) the animals sold were born and (2) a completed sale, transfer, or disposition of a cat or dog is conducted in-person with both parties physically present at the same location. The bill also repeals the definition of “offer for sale” and modifies the relevant prohibition against retail pet stores offering cats and dogs for sale to instead prohibit their sale, transfer, or disposition. **The bill takes effect July 1, 2020.**

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**Fiscal Summary**

**State Effect:** The bill’s imposition of existing penalty provisions does not have a material impact on State finances or operations. The Office of the Attorney General, Consumer Protection Division, can handle the bill’s requirements with existing resources. General fund revenues are likely not materially affected, as discussed below.

**Local Effect:** The bill does not materially affect local government finances or operations.

**Small Business Effect:** Meaningful.

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**Analysis**

**Current Law/Background:** In general, a dog or cat younger than eight weeks of age may not be sold or distributed in the State unless it is accompanied by its female parent. A person must obtain a local kennel license if the person (1) owns or has custody of six or

more unspayed female dogs over six months old and kept for the purpose of breeding and selling their offspring or (2) sells dogs from six or more litters per year.

Pursuant to Chapter 237 of 2018, a retail pet store is prohibited from offering for sale or otherwise transferring or disposing of cats or dogs, effective January 1, 2020. This prohibition may not be construed to prohibit a retail pet store from collaborating with an animal welfare organization or animal control unit to offer space for those entities to showcase cats or dogs for adoption. “Retail pet store” means a for-profit establishment open to the public that sells or offers for sale domestic animals to be kept as household pets. “Offer for sale” includes to sell, offer to transfer, offer for adoption, advertise for the sale, barter, auction, give away, or otherwise dispose of a domestic animal. “Broker” means a person who transfers dogs for resale by another person; there are no specified requirements for brokers remaining in current law.

Violation of laws related to retail pet stores is an unfair, abusive, or deceptive trade practice under the Maryland Consumer Protection Act (MCPA), subject to MCPA’s civil and criminal penalty provisions.

#### *Maryland Consumer Protection Act*

An unfair, abusive, or deceptive trade practice under MCPA includes, among other acts, any false, falsely disparaging, or misleading oral or written statement, visual description, or other representation of any kind that has the capacity, tendency, or effect of deceiving or misleading consumers. The prohibition against engaging in any unfair, abusive, or deceptive trade practice encompasses the offer for or actual sale, lease, rental, loan, or bailment of any consumer goods, consumer realty, or consumer services; the extension of consumer credit; the collection of consumer debt; or the offer for or actual purchase of consumer goods or consumer realty from a consumer by a merchant whose business includes paying off consumer debt in connection with the purchase of any consumer goods or consumer realty from a consumer.

The Consumer Protection Division is responsible for enforcing MCPA and investigating the complaints of aggrieved consumers. The division may attempt to conciliate the matter, issue a cease and desist order, or file a civil action in court. A merchant who violates MCPA is subject to a fine of up to \$10,000 for each violation and up to \$25,000 for each repetition of the same violation. In addition to any civil penalties that may be imposed, any person who violates MCPA is guilty of a misdemeanor and, on conviction, is subject to a fine of up to \$1,000 and/or imprisonment for up to one year.

**State Fiscal Effect:** The sale of cats and dogs is subject to the State sales tax. Therefore, general fund revenues are affected beginning as early as fiscal 2021 to the extent that the bill alters the number of such taxable sales. The amount, if any, cannot be reliably estimated

at this time and depends on the quantity of transactions prohibited/authorized and the sales tax that would have been remitted from those transactions. The overall effect is likely minimal. The bill's imposition of existing penalty provisions does not have a material impact on State finances or operations. The Office of the Attorney General, Consumer Protection Division, can handle the bill's requirements with existing resources.

**Small Business Effect:** Brokers, which may be small businesses, are negatively affected by the bill's prohibition against the sale of cats and dogs. Conversely, some small businesses previously prohibited from selling cats and dogs benefit from the ability to do so.

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### **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** None.

**Information Source(s):** Maryland Department of Labor; Office of the Attorney General (Consumer Protection Division); Department of Legislative Services

**Fiscal Note History:** First Reader - February 25, 2020  
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