

Department of Legislative Services
Maryland General Assembly
2021 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

Senate Bill 103
Finance

(Senator Kramer)

Economic Matters

Domestic Animals - Retail Pet Stores and the Task Force to Study Canine
Breeding Facilities and Sourcing Standards

This bill alters the definition of a “retail pet store” that is prohibited from selling cats or dogs to (1) include brokers; (2) no longer specify that the store must be open to the public; and (3) exclude an establishment at which the animals being sold were born. Additionally, the bill establishes a Task Force to Study Canine Breeding Facilities and Sourcing Standards to be staffed by the Maryland Department of Agriculture (MDA). **The bill takes effect July 1, 2021, and the task force terminates June 30, 2022.**

Fiscal Summary

State Effect: The bill’s imposition of existing penalty provisions does not have a material impact on State finances or operations. MDA and the Office of the Attorney General (OAG), 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.

Analysis

Bill Summary: The bill alters the definitions of “breeder” and “broker” to include individuals who sell or transfer cats as well as dogs. Additionally, the bill repeals an uncodified provision encouraging retail pet stores to collaborate with animal welfare organizations to showcase cats and dogs for adoption or for purchase from local breeders, and makes other technical changes.

Task Force to Study Canine Breeding Facilities and Sourcing Standards

The Governor must request that a representative from the U.S. Department of Agriculture's (USDA) Animal Care program participate in the task force; the Senate President and the Speaker of the House must jointly designate the chair of the task force. A member of the task force may not receive compensation but is entitled to reimbursement for expenses.

The task force must study canine breeding facilities, including online sales of canines through breeding facilities. In conducting the study, the task force must:

- review any achievements made in the past 20 years in combating substandard canine breeding practices;
- identify and assess current efforts being taken in the State, other states, and the federal government to address substandard canine breeding practices;
- identify nongovernmental comprehensive standards for canine breeding and tour facilities in full compliance with those standards;
- determine if any gaps exist between current State, federal, and nongovernmental comprehensive standards for canine breeding;
- recommend actions necessary to harmonize canine breeding standards in the State with those of USDA; and
- recommend any legislative actions necessary to create standards for any person who sells or negotiates the sale or purchase of dogs in the State.

By December 1, 2021, the task force must report its findings and recommendations to the Governor and the General Assembly.

Current Law: 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 kept for the purpose of breeding the dogs and selling their offspring or (2) sells dogs from six or more litters per year.

Chapter 237 of 2018 prohibits a retail pet store from offering for sale or otherwise transferring or disposing of cats or dogs. 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. OAG's 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, seek an injunction, 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, may be 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 2022 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. OAG's 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.

Additional Information

Prior Introductions: SB 625 of 2020, as amended, passed the Senate and passed second reading in the House, but no further action was taken.

Designated Cross File: None.

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

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