

**Department of Legislative Services**  
Maryland General Assembly  
2022 Session

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

House Bill 191

(Delegate Lehman, *et al.*)

Environment and Transportation

Education, Health, and Environmental Affairs

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**Department of Agriculture - Spay/Neuter Fund - Extension and Report**

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This bill extends the termination date for the Spay/Neuter Fund within the Maryland Department of Agriculture (MDA) by 10 years (from September 30, 2022, to September 30, 2032). By October 1, 2022, MDA must report to the General Assembly on the fund, including (1) spay and neuter programs that are not receiving funding from the fund; (2) the market capacity for increasing the fees assessed on each brand name or product name of commercial feed that are paid into the fund; (3) a proposed fee structure that can be implemented over the next 5 to 10 years to enhance the revenue generated from the fees; and (4) additional sources of revenue for the fund. **The bill takes effect June 1, 2022.**

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**Fiscal Summary**

**State Effect:** Special fund revenues and expenditures continue until September 30, 2032, due to the extension of the termination date. The fund receives approximately \$966,000 annually in fee revenues, facilitating MDA grants for about 30 projects annually. MDA advises that it can complete the required report by October 1, 2022, with existing resources.

**Local Effect:** Local governments, as eligible grant recipients, continue to be eligible for grant funding for an additional 10 years.

**Small Business Effect:** Potential meaningful.

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## Analysis

**Current Law:** Chapters 561 and 562 of 2013, which established the Spay/Neuter Fund, terminate September 30, 2022. The fund has the purpose of reducing animal shelter overpopulation and cat and dog euthanasia rates by financing grants to local governments and animal welfare organizations for programs that most efficiently facilitate and promote the provision of spay and neuter services for cats and dogs in the State. The fund receives revenue from a fee imposed on each registered brand name or product name of dog or cat food. The current fee, which will remain in effect until the fund's termination date, is \$100. Fees are paid by the person registering the pet food, in accordance with MDA guidelines.

**Small Business Effect:** Small businesses that register dog and cat food products will be required to pay fees for an additional 10 years. MDA advises that of the 233 current registrants, 124 register fewer than 10 products per year, potentially reflecting small businesses that may be affected by the continued fee.

## Additional Information

**Prior Introductions:** HB 146 of 2021, a similar bill as amended, passed the House and received a hearing in the Senate Education, Health, and Environmental Affairs Committee, but no further action was taken.

**Designated Cross File:** None.

**Information Source(s):** Anne Arundel, Charles, Frederick, Montgomery, and Somerset counties; Maryland Department of Agriculture; Department of Legislative Services

**Fiscal Note History:** First Reader - January 11, 2022  
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