

MD H 365 Alley Cat Allies written testimony to Hou

Uploaded by: Alice Burton

Position: FAV

Feb. 13, 2023

The Honorable Kumar P. Barve, Chair
House Environment and Transportation Committee
House Office Bldg. Room 251
6 Bladen St.
Annapolis, MD 21401

Dear Chair Barve and Members:

On behalf of Alley Cat Allies and our more than 34,000 supporters in Maryland, I am writing to urge your support of **HB 365, "Department of Agriculture – Spay/Neuter Fund."** If enacted into law, **HB 365** would better position the already successful Maryland Spay and Neuter Grants Program by establishing a process through which a person can make a voluntary donation to the Fund, prioritize grant proposals to the fund that facilitate wellness care and transportation services, and require that the funding mechanism of a fee on commercial feed for consumption by dogs or cats to be adjusted annually for inflation. **HB 365** was introduced by Delegate Lehman and is currently assigned to the Environment and Transportation Committee.

Alley Cat Allies, based in Bethesda, Maryland, is the only national advocacy organization dedicated to protecting and improving the lives of cats. We have promoted and made mainstream sound and compassionate policies for cats since our founding in 1990.

Sterilization is the linchpin that makes possible the bigger goals of public health, animal welfare, and effective nonlethal control. Maryland has an existing Spay/Neuter Fund, the purpose of which is to reduce animal shelter overpopulation and can and dog euthanasia rates.

The Maryland Spay and Neuter Grants Program 2020 Annual Report includes analysis that this program "appears to be having a significantly positive impact on its targeted metrics of intake and euthanasia," showing steady declines in both categories in Maryland animal shelters since the fund was established.

Without availability of low-cost spay and neuter that is made possible with this fund, there will be an increased cost of millions of dollars to Maryland taxpayers for the intake, housing, and killing of animals.

Low-cost spay and neuter programs are effective at increasing the sterilization rate among pet cats in lower-income households. These programs also benefit unowned community cats who live outdoors, also called stray or feral cats, as part of Trap-Neuter-Return (TNR), whereby unowned, free-roaming cats are humanely trapped, sterilized, vaccinated, eartipped, and returned to their outdoor homes to live and thrive.

HB 365 will significantly reduce one of the greatest barriers low-income owners face to neutering their pet: cost. A peer-reviewed scientific study published in the *Journal of the American Veterinary Medical Association* found that while most pet cats are already neutered, the neuter rate is significantly lower for pet cats living in households earning \$35,000 or less annually.¹ The lower-income owners who were interviewed primarily cited high cost as the reason for not neutering their cats. Providing low-cost or free spay and neuter services benefits both cats and shelters as research has shown that spaying and neutering reduces the risk that adopted animals will be returned or relinquished to shelters.

¹ Chu K, Anderson WM, Rieser MY, Population Characteristics and Neuter Status of Cats Living in Households in the United States, *J Am Vet Med Assoc*, 2009; 234: 1023-1030.

There are also a substantial number of stray and community cats who benefit from spay and neuter programs. Sterilizing these cats prevents unchecked breeding, eliminates nuisance behaviors associated with mating, and improves their health.

Increased accessibility of spay and neuter services is a win for citizens, a win for animal shelters, and a win for cats. **For these reasons, we urge you to support HB 365.** Thank you for your time.

Sincerely,
Alice Burton
Director of Programs
Alley Cat Allies

HB365_fav_HSUS.pdf

Uploaded by: Jennifer Bevan-Dangel

Position: FAV



**THE HUMANE SOCIETY
OF THE UNITED STATES**

February 15, 2023

Environment and Transportation Committee

HB365

Department of Agriculture - Spay/Neuter Fund

FAVORABLE

The Humane Society of the United States, on behalf of our members and supporters in Maryland, urges a favorable report and speedy action on HB365.

This committee should be proud of its work to create the Spay/Neuter Fund, which provides a national model for how to raise revenue for this critical, lifesaving work. We are also grateful to this committee for renewing the Fund last year and to ensure that it continues to operate.

The Spay/Neuter Fund is one of the most effective and cost-effective tools existing today for supporting pet owners, easing the burden on our shelters, and improving the lives of companion animals. Since the Fund was established in 2014, euthanasia of companion animals across the state have decreased 55% and overall animal intake has dropped 17%. It is estimated that spaying and neutering just one male and one female cat can prevent more than 2,000 unwanted births over four years!

However, the impact of the Spay/Neuter Fund is limited by the fact that the fee has not increased since it reached its initial levels in 2015. Since then, inflation has skyrocketed across all the expenses associated with these procedures – especially staff costs to hold clinics and perform surgeries. To compound that problem, shelters are experiencing historically high levels of surrenders, and euthanasia rates are rising again for the first time in many years.

This is a life-saving and valuable bill that ensure the fees for the Spay/Neuter Fund are structured to keep pace with inflation, ensuring this critical program can continue to function at the highest level. We urge a favorable report on HB365.

Written Testimony_Griffin_Dept. of Agriculture - S

Uploaded by: Jennifer Bevan-Dangel

Position: FAV

House Bill 365

TO: Members of the House Environment and Transportation Committee

DATE: February 22, 2023

FROM: Caroline A. Griffin, Esquire *ccg*

RE: **House Bill 365 – Department of Agriculture – Spay/Neuter Fund**

POSITION: Support

Chairman Barve, Vice-Chair Stein, and Members of the Environment and Transportation Committee. My name is Caroline A. Griffin; I am an attorney and reside in Baltimore City. I am the current chair of the Maryland Spay Neuter Advisory Board. I am also the co-founder of the non-profit Show Your Soft Side, a national anti-cruelty campaign, and currently serve on the Board of the Animal Welfare Institute. I support HB 365 but defer to officials at the Maryland Department of Agriculture for comment regarding proposed amendments to the Spay/Neuter Fund bill. My testimony is limited to the heightened need for funding in the aftermath of the COVID-19 pandemic.

The Spay/Neuter Fund has been highly effective in fulfilling its statutory purpose of reducing animal shelter population and the euthanasia of dogs and cats throughout Maryland, having funded approximately 100,000 surgeries since its inception a decade ago. That progress has been undermined, however, by the COVID-19 pandemic, which forced veterinary clinics to shut their doors for several months, except for emergencies. A recent study from the University of Florida College of Veterinary Medicine conservatively estimates that 2.7 million dogs and cats were not neutered during the pandemic and many of those animals have since reproduced, compounding the problem further. *A summary of the study is attached at Exhibit 1.* For the first time in years, the COVID-19 pandemic has threatened progress and shelter intake and euthanasia are rising nationwide. One of the authors of the study, Dr. Simone Guerios, notes:

“Currently, shelters are in crisis mode, with over-crowding and lagging adoptions. Pet overpopulation seems to be increasing, leading to increased shelter euthanasia for the first time in many years.”

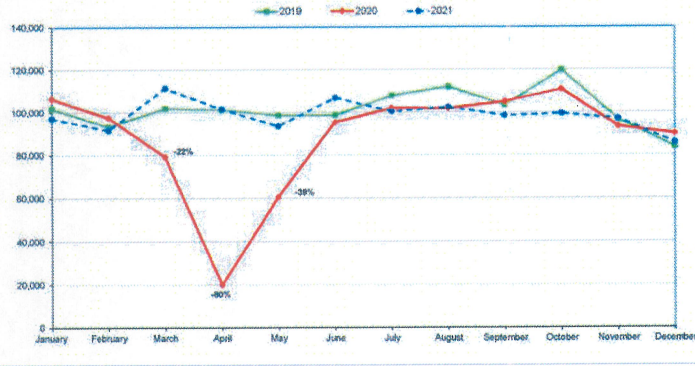
Despite consistent funding from the Spay/Neuter Fund, the need for spay/neuter surgeries has become so acute in the Baltimore metropolitan area that my non-profit, Show Your Soft Side, started hosting free spay neuter clinics in 2023 to bridge the gap. Community cat caretakers are already facing waiting lists at shelters that are receiving grant funding, even though “kitten season” has not begun in earnest. Moreover, given inflation and the veterinary shortage, clinics are charging \$400 - \$500 for spay/neuter surgeries, which is beyond the reach of many middle-income families, and impossible for lower-income families. The need for Maryland’s Spay/Neuter Fund has never been greater.

Respectfully submitted,



Caroline A. Griffin, Esquire

12 February 2023
Date



Decrease in spay-neuter surgeries during pandemic threatens to undermine pet welfare gains



Julie Levy
Fran Marino Endowed Distinguished
Professor of Shelter Medicine Education...

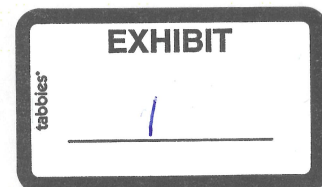
27 articles

✓ Following

September 13, 2022

The COVID-19 pandemic started with a surge in pet adoptions, but it has had another dramatic – and unfortunate – effect on the country’s pets: a huge chunk of missing neutering surgeries. New research finds that there are almost 3 million missing neuter/spay surgeries in the U.S. due to the pandemic, which, combined with veterinarian and staff shortages, is contributing to widespread overcrowding at pet shelters.

The findings come from a study of over 200 clinics from 2019 to 2021 by researchers at the University of Florida. Progress made over decades to control overpopulation of dogs and cats through high-volume spay-neuter surgeries is at risk thanks to the ongoing COVID-19 pandemic, a team of UF researchers conclude in a new study.



The impact — felt both at community shelters and veterinary clinics — includes sharp declines in spay-neuter surgeries after the initial pandemic-triggered lockdowns, followed by staffing shortages in clinics and shelters, overcrowding and lagging pet adoption rates. All of these problems are compounded by a nationwide shortage of veterinarians, which has been felt even more acutely in shelters and spay-neuter clinics, the researchers say in a study published Sept. 13, 2022 in *Frontiers in Veterinary Science*. [Click here to read the full-length paper.](#)

The study focused on the effect of the COVID-19 pandemic on the volume of surgical procedures performed by spay-neuter clinics, said Simone Guerios, D.V.M., Ph.D., a clinical assistant professor of shelter medicine at UF and the study's lead author.

The team drew its research from 212 clinics nationally, all of which make use of the cloud-based clinic management software program Clinic HQ, which is specifically designed for facilities that focus on spay-neuter and preventive health care services.

"The high level of spay-neuter achieved over the past five decades is the single most important driver of reduced pet overpopulation and euthanasia in animal shelters," Guerios said. "The rise in subsidized spay-neuter access helped drive the euthanasia of shelter pets in the United States from an estimated 13.5 million in 1973 to 1.5 million in 2019."

Using 2019 as a baseline, the UF team aimed to determine the impact of the pandemic on the volume of spay-neuter procedures performed in 2020-2021 at the 212 clinics, which collectively performed more than 1 million surgeries per year and were on track to increase surgeries by 5% over the previous year. But in the 24 months from January 2020 through December 2021, 190,818 fewer surgeries were performed at the clinics studied than would be expected had 2019 levels been maintained, the researchers found.

"If a similar pattern was experienced by other spay-neuter programs in the United States, it would suggest there is a deficit of more than 2.7 million spay-neuter surgeries that

animal welfare organizations have yet to address," said co-author Julie Levy, D.V.M., Ph.D., the Fran Marino Endowed Distinguished Professor of Shelter Medicine Education. "And that doesn't even account for the compounding effect of those un-neutered dogs and cats having additional offspring at risk for further reproduction."

All the impacts of the pandemic combined have the potential to undermine progress made in controlling pet populations and euthanasia in shelters, Levy added.

"Currently, shelters are in crisis mode, with overcrowding and lagging adoptions," Guerios said. "Pet overpopulation seems to be increasing, leading to increased shelter euthanasia for the first time in many years."

The UF College of Veterinary Medicine is responding to societal needs by increasing class size and remodeling its surgical training facility to enhance surgical skills development. The college also offers four courses and clerkships specifically designed to provide students with real-world spay-neuter experience, Levy said.

As part of these hands-on learning opportunities, UF veterinary students spay and neuter thousands of cats and dogs in their local communities, she added.

"Through our recent expansion of class size to meet the increasing demand for veterinary graduates, along with unique certificate programs and shelter medicine internships, our college is taking proactive action to address these disturbing trends in animal healthcare and well-being," said Christopher Adin, D.V.M., chair of UF's department of small animal clinical sciences, which oversees the college's shelter medicine program.

Report this

Published by



Julie Levy

Fran Marino Endowed Distinguished Professor of Shelter Medicine Education, University of Florida Shelter Medicine Program
Published • 5mo

27

articles

✓ Following

A new study coauthored with my colleague Dr. Simone Guerios at **University of Florida College of Veterinary Medicine** finds that impacts associated with the COVID-19 pandemic threaten decades of progress in controlling pet overpopulation and euthanasias through high-volume spay-neuter surgeries performed at shelters and private veterinary clinics. Read the study here: <https://lnkd.in/drQeyW63>

#sheltermedicine

HB365pdf.pdf

Uploaded by: Katherine Flory

Position: FAV



**Maryland's Association of Animal Care and Control
Agencies and Humane Societies**

**PO Box 1143
Easton, Maryland 21601**

**HB 0365 Department of Agriculture - Spay/Neuter Fund
Maryland House of Delegates Environment and Transportation Committee**

February 10, 2023

Dear Honorable Chairman Barve, Vice-Chairman Stein, and members of the committee:

Professional Animal Workers of Maryland, the state organization comprised of animal control agencies and humane societies has a majority vote to support HB 0365, Department of Agriculture Spay/Neuter Fund.

Many of the agencies and organizations within Professional Animal Workers of Maryland have benefited from the MDA Spay Neuter Fund Program since its inception. In our opinion, this bill asking to increase fees based upon inflation and to expand the scope of the fund's uses is reasonable.

We respectfully ask for a favorable report on this bill.

Please feel free to contact me with any questions or concerns.

Sincerely,

Katie Flory

Treasurer: Professional Animal Workers of Maryland

HB_365_Radov_FAV

Uploaded by: Lisa Radov

Position: FAV



MARYLAND VOTES FOR ANIMALS

PO Box 10411
BALTIMORE, MD 21209

February 15, 2023

To: House Environment and Transportation Committee
From: Lisa Radov, President and Chairman, Maryland Votes for Animals, Inc.
Re: Department of Agriculture – Spay/Neuter Fund - HB 365 – Support

Chair Barve, Vice - Chair Stein, members of the Environment and Transportation Committee, thank you for the opportunity to testify before you today. My name is Lisa Radov. I am the President and Chairman of Maryland Votes for Animals, Inc. We champion humane legislation to improve the lives of animals in Maryland. Speaking for Maryland Votes for Animals, our Board of Directors, and our members across the State of Maryland, I respectfully ask that the House Environment & Transportation Committee vote favorably for Department of Agriculture - Spay/Neuter Fund - HB 365.

The Maryland Spay and Neuter Fund is a model program that was created to reduce the number of cats and dogs surrendered and euthanized in shelters across Maryland. Using small fees collected from pet food companies doing business in Maryland, the program provides competitive grants to local governments and non-profit animal welfare organizations for free spay and neuter services for dogs and cats owned by low-income residents and for colonies of feral cats.

The first of its kind in the nation, the Maryland Spay/Neuter Fund has been a hugely successful program. As of June 30, 2022, the program has funded 216 projects that provided 95,558 spay and neuter surgeries for dogs and cats of low-income families and community cat programs. Several states, including Delaware, have passed legislation to create similar programs. Last year, Maryland passed legislation to extend this program for another ten years.

When the Maryland Spay/Neuter Fund was established in 2013, the small fee paid by pet food companies was not tied to the inflation rate. During those ten years, the prices of most goods and services have increased due to many factors, including inflation. This bill would increase the fees paid by pet food companies to reflect the rate of inflation and thereby ensure that the Maryland Spay/Neuter Fund has adequate funding to continue to offer a wide range of competitive grants to local governments and non-profit animal welfare organizations across the state.

Since using the rate of inflation is a well-established method of adjusting costs over time, this method would keep the program appropriately funded through its scheduled sunset in 2032. The fee increase would be phased in over three years with an exemption for small pet food companies subject to certain circumstances. It would also include routine wellness care for animals who were already being provided with services for free spay/neuter under the guidelines of this program as well as providing additional services for underserved areas. By keeping pace with inflation, we can continue this lifesaving program and its crucial services throughout Maryland.

Thanks to Delegate Lehman for sponsoring HB 365. I urge the committee for a favorable report.

WRITTEN TESTIMONY HB365 LEHMAN.pdf

Uploaded by: Mary Lehman

Position: FAV



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

HOUSE BILL 365

Department of Agriculture - Spay/Neuter Fund

February 13, 2023

SUPPORT

MR. CHAIRMAN, MR. VICE CHAIRMAN AND ESTEEMED COLLEAGUES:

I AM PLEASED TO PRESENT HB 365, WHICH ALTERS THE STATE'S SPAY/NEUTER GRANT FUND BY REQUIRING THAT THE FUND BE ADJUSTED FOR INFLATION, ESTABLISHING A PROCESS FOR VOLUNTARY DONATIONS TO THE FUND, AND SUPPORTING GRANT PROPOSALS THAT SERVE UNDERSERVED AREAS. THIS FUND WAS ORIGINALLY CREATED IN 2013 AND SUPPORTS ANNUAL GRANTS TO COUNTY ANIMAL SHELTERS AND NONPROFIT ORGANIZATIONS THAT SPAY AND NEUTER CATS AND DOGS. THE PURPOSE OF PROGRAM IS TO REDUCE ANIMAL SHELTER OVERPOPULATION AND EUTHANASIA RATES.

THE GRANT PROGRAM HAS BEEN FUNDED BY FEES PLACED ON COMMERCIAL PET FOOD PRODUCTS. DUE TO INFLATION AND THE EFFECTS OF THE COVID-19 PANDEMIC, THE COSTS OF PROVIDING SPAY AND NEUTERING SERVICES HAVE RISEN SUBSTANTIALLY AND HAVE THEREFORE STRAINED THE LIMITED FUNDS OF THE GRANT. AT THE SAME TIME, THE COST OF PET FOOD HAS INCREASED AS DRAMATICALLY AS THE COST OF FOOD FOR HUMANS.

HB 365 ADDRESSES THIS ISSUE BY REQUIRING THE FEE, WHICH HAS BEEN \$100 PER PRODUCT LABEL OF COMMERCIAL FEED SINCE OCTOBER 2015, TO BE ADJUSTED ANNUALLY FOR INFLATION. THAT ADJUSTMENT WILL BEGIN WITH THE RATE OF INFLATION IN 2013 WHEN THE PROGRAM BEGAN AND WILL PHASE IN THE AVERAGE 2.45% RATE OF INFLATION BETWEEN 2013 AND 2022 OVER THE NEXT THREE YEARS. BEGINNING IN OCTOBER 2026, THE FEE WILL BE ADJUSTED ANNUALLY BASED ON THE RATE OF INFLATION.

BEING MINDFUL OF THE IMPACT THE INCREASED FEE WOULD HAVE ON THE SMALLEST COMPANIES, THE BILL EXEMPTS PET FOOD MANUFACTURERS THAT HAVE AN ANNUAL GROSS INCOME OF LESS THAN \$500,000. THAT WAY, SMALLER BUSINESSES ARE NOT OVERLY BURDENED BY THE HIGHER FEE.

ADVOCATES BELIEVE HB 365 IS NECESSARY BECAUSE WHILE THE PROGRAM HAS RESULTED IN THE SPAY/NEUTER OF 95,442¹ DOGS AND CATS SINCE 2013, MARYLAND IS STILL EUTHANIZING A STAGGERING NUMBER OF ANIMALS. ACCORDING TO THE DEPARTMENT OF AGRICULTURE, MARYLAND SHELTERS TOOK IN 58,041 ANIMALS IN 2021 AND HAD TO EUTHANIZE 8,431 (14.5%). THIS IS A HUGE DIFFERENCE FROM 2014, THE FIRST FULL YEAR OF THE PROGRAM, WHERE 74,433 ANIMALS WERE TAKEN IN AND 24,435 WERE EUTHANIZED (32.3%)². BETWEEN 2014 AND 2019, MARYLAND SHELTERS TOOK IN 86,384 DOGS AND MEANS THIS STATE PUT DOWN NEARLY 100,000 PETS OVER FIVE YEARS.

WE CAN DO BETTER. WE MUST DO BETTER. THE WAY TO DO THAT IS TO GROW THE SPAY/NEUTER FUND SO THAT WE REDUCE THE NUMBER OF UNWANTED PETS AND OUR EUTHANIZATION RATE. THANK YOU AND I URGE YOUR FAVORABLE REPORT.

¹ THIS NUMBER IS RECENT AS OF JUNE 30, 2022 AND IS REPORTED ON THE MARYLAND DEPARTMENT OF AGRICULTURE WEBSITE.

² MARYLAND DEPARTMENT OF AGRICULTURE SPAY AND NEUTER GRANDS PROGRAM ANNUAL REPORT, AUGUST 2022

HB 365 - MoCo_Morningstar_FAV (GA 23).pdf

Uploaded by: Sara Morningstar

Position: FAV



Montgomery County

Office of Intergovernmental Relations

ROCKVILLE: 240-777-6550

ANNAPOLIS: 240-777-8270

HB 365

DATE: February 15, 2023

SPONSOR: Delegate Lehman, et al.

ASSIGNED TO: Environment and Transportation

CONTACT PERSON: Sara Morningstar (Sara.Morningstar@montgomerycountymd.gov)

POSITION: SUPPORT (Office of Animal Services)

Department of Agriculture – Spay/Neuter Fund

House Bill 365 provides a mechanism for the Maryland Department of Agriculture's Spay and Neuter Fund to accept donations from private citizens, groups and/or businesses, gives priority to grant applicants who meet specific criteria, and creates a new fee schedule for commercial feed used for dogs and cats.

The American Veterinary Medical Association reports that "[s]paying and neutering prevent unwanted litters, help protect against some serious health problems, and may reduce many of the behavioral problems associated with the mating instinct." These programs can motivate pet adoptions and help to reduce the number of pets needlessly euthanized in shelters across the State.

The Montgomery County Office of Animal Services supports House Bill 365 which will help to grow and expand spay and neutering services and urges the Committee to adopt a favorable report.

MD H 365 AFIA House 2.13.23.pdf

Uploaded by: Louise Calderwood

Position: FWA



February 13, 2023

Representative Kumar Barve
Chair, Environment and Transportation Committee
Maryland General Assembly
Via email

Re: MD HB 365

Dear Representative Barve and committee:

The American Feed Industry Association (AFIA) is writing to provide information on MD HB 365 The Department of Agriculture - Spay/Neuter Fund.

The AFIA appreciates the efforts in Maryland to support access to low-cost spay and neuter services as an effective tool to reduce the number of pet euthanasias. However, we strongly oppose any action taken by the Maryland General Assembly which may lead directly or indirectly to an increase in fees collected from pet food manufacturers to expand the program or to provide additional services.

Support exploration of alternative funding sources. The AFIA appreciates the bill that proposes a process through which a person may make a voluntary donation to the Fund. Pet food manufacturers are concerned about the plight of unwanted pets and frequently donate product to shelters and other pet care services. A citizen led effort to expand the Fund is an appropriate means by which to support services. If expansion of the spay/neuter fund is merited we encourage the legislature to continue to consider different funding sources and not increase the fees assessed on each brand name or product name of commercial pet food.

Oppose broadening of services. The AFIA opposes the use of the existing fee of \$100 on each brand name or product name of commercial pet food to broaden the program to pay for wellness care of cats and dogs at the time of a spay or neuter service, to pay for operation of a mobile veterinary transportation or to pay for transportation services from unserved areas. The proposed addition of these services is creating a welfare program for pets well beyond the initial purpose of the Fund – which was to reduce animal shelter overpopulation and cat and dog euthanasia rates by financing grants that most efficiently and effectively facilitate and promote spay and neuter services for cats and dogs in the State.

The proposed expansion of services is not an appropriate government function and is best addressed by charitable organizations. Maryland citizens can increase the funds available for spay/neuter procedures and broadened services available to pets owned by low-income families through existing or new charitable resources rather than increasing the burden on businesses who do not contribute to the problem of unwanted pets and are already supporting animal shelters in other ways.

Our Industry. Our Passion. Our Voice.

The AFIA will not support any continuation of the spay/neuter fund beyond the existing fee of \$100 on each brand name or product name of commercial feed and we urge members of the General Assembly to explore alternative ways to expand and fund the program if that measure is deemed to be necessary.

Sincerely,



Louise Calderwood
Director of Regulatory Affairs

Based in Arlington, Va., the AFIA is the world's largest organization devoted exclusively to representing the business, legislative and regulatory interests of the U.S. animal food industry and its suppliers. AFIA's members include nearly 650 domestic and international companies, such as livestock feed and pet food manufacturers, integrators, pharmaceutical companies, ingredient suppliers, equipment manufacturers and supply companies that provide other products or services to feed manufacturers.

2023.02.15 Pet Food Institute MD HB 365 ENT Writte

Uploaded by: Savonne Caughey

Position: FWA

February 15, 2023

Maryland House of Delegates
Committee on Environment and Transportation
House Office Building, Room 251
6 Bladen Street
Annapolis, MD 21401

RE: Maryland House Bill 365 – Department of Agriculture – Spay/Neuter Fund

Dear Chairman Barve, Vice Chairman Stein and Members of the House Environment and Transportation Committee:

The Pet Food Institute (PFI) appreciates the opportunity to provide comments regarding [HB 365](#).

Established in 1958, PFI is the trade association for U.S. cat and dog food and treat manufacturers. Our members account for the vast majority of pet food and treats made in the United States, providing complete and balanced nutrition for the more than 186 million dogs and cats in U.S. households. As the voice of U.S. pet food makers for over 60 years, we advocate for a transparent, science-based regulatory environment for our members and provide information about pet food and treat safety, nutrition and health to pet owners.

PFI recognizes and agrees in principle with the intended goals of Maryland's Spay and Neuter Program, with a core focus on low-income communities and populations, and commends Maryland for the success of the program at its current funding level. HB 365 would expand the Spay and Neuter Program to include additionally financing costs related to wellness care for cats and dogs at the time of a spay or neuter service, mobile veterinary clinic transportation and transportation services to bring animals to a clinic from unserved areas.

While PFI would support expanding the program under HB 365, we cannot support an increase on the tax levied solely on pet food manufacturers. This measure would raise the annual cost of registering each product from the current spay and neuter fee of \$100 per product to an estimated \$127 per product over three years and annually adjust the fee thereafter. This first adjustment would amount to an estimated 27% tax increase – imposing a significant burden on pet food makers just to sell their products in Maryland. These fees ultimately have an impact on the prices of pet food products sold to Maryland pet owners, who also pay a 6% sales tax on products purchased in the state.

In growing the scope of services paid for by the program, PFI urges the committee to amend the bill to include alternative funding mechanisms rather than exclusively placing the full burden on pet food makers, who are already paying nearly \$1 million a year in spay and neuter fees to fund the program.

PFI supports the bill's inclusion of establishing a process for making voluntary donations to the Spay and Neuter Fund. We respectfully request that money be appropriated from the state budget to pay for expansion of the program, and ask that the bill be amended to take out the pet food spay and neuter fee increase and instead provide additional ways for Marylanders to contribute funds for the program. Many states provide funding for spay and neuter programs via fees collected from the purchase of specialty

“animal friendly” license plates as well as voluntary contributions made for spay and neuter programs via check-offs on state income tax returns.

Maryland already successfully uses such mechanisms for funding other important state programs. For example, Marylanders help restore the Chesapeake Bay and conserve endangered species by donating to the Chesapeake Bay and Endangered Species Fund on their tax forms. Additionally, the Chesapeake Bay Trust receives a portion of fees collected from the purchase of the Chesapeake Bay vehicle license plate. Similar funding mechanisms could be put in place to provide additional funds to the Maryland Spay and Neuter Program.

The last three years have been incredibly challenging. Coming out of the pandemic, every node in our supply chain has been impacted. Like other industries, PFI members are experiencing inflation, labor shortages and continued transportation and supply chain challenges, while also facing increased prices and scarcity of crucial ingredients such as meat proteins, fats and oils.

The current spay and neuter tax of \$100 applied to every stock-keeping unit (SKU) or product label has significant implications on manufacturers. For every product you see on the shelf, there are often multiple sized packages as well as multiple formula variations, each of which must pay the tax. This results in a single product paying at least \$1,600 in taxes. This is on top of the \$50 per product registration fee that pet food manufacturers pay to register each of their products. At an industry level, the taxes paid in Maryland are the highest in the nation and account for approximately 10% of pet food manufacturers’ cumulative budgets for all taxes and fees across the country – a significant share for a single state.

Increasing taxes would add another burden to U.S. pet food makers who are navigating major backlogs as they work to adequately source the quantity and quality of critical government-required ingredients to feed the pets in nearly 85 million U.S. households. Raising taxes on pet food manufacturers would decrease the options provided for sale in Maryland, resulting in less variety in product sizes and diet options and reducing consumer choice. Additionally, this will likely negatively impact sales in Maryland brick-and-mortar pet retail stores, who employ Maryland residents and who have already been negatively impacted by current economic factors, including supply limitations, supply chain congestion and inflation. Ultimately, this increased tax will negatively impact Maryland’s economic growth.

Instead, PFI respectfully requests that the committee seek appropriations funding from the state budget and amend the bill to include alternative funding mechanisms to fund the expansion of the program rather than increasing the burden on pet food makers by raising the spay and neuter fee.

On behalf of PFI members, whose nearly 30,000 employees in 33 states provide safe food for the 186 million pets across the U.S., we thank you for the opportunity to share our views. I would be happy to discuss this issue in more detail.

Sincerely,



Savonne Caughey
Senior Director of Advocacy and Government Relations
Pet Food Institute

HB_365_INFO_MDA

Uploaded by: Jessica Hackett

Position: INFO



Maryland Department of Agriculture

Office of the Secretary

Wes Moore, Governor

Aruna Miller, Lt. Governor

Kevin M. Atticks, Acting Secretary

Steven A. Connelly, Deputy Secretary

Agriculture | Maryland's Leading
Industry

The Wayne A. Cawley, Jr. Building
50 Harry S Truman Parkway
Annapolis, Maryland 21401
mda.maryland.gov

410.841.5885 Baltimore/Washington
410.841.5846 Fax

Maryland Department of Agriculture

Legislative Comment

Date: February 15, 2023

BILL NUMBER: HB 365

SHORT TITLE: DEPARTMENT OF AGRICULTURE- SPAY AND NEUTER FUND

MDA POSITION: INFORMATION

HB 365 would alter the contents of Agriculture Articles § 2–1602 and § 2–1603. The alterations would create a means for individuals to make a voluntary donation to the Spay and Neuter Fund, and change/increase the fees imposed on pet food manufacturers who register products with the State of Maryland. HB365 also imposes some changes to the eligible services to be funded by grant projects and dictates that certain types of grant projects be given priority when being selected for funding.

In 2013, at the onset of the Spay and Neuter Program an advisory board (“Spay and Neuter Advisory Board” or “SNAB”) was established based on the recommendations found in the 2012 Final Report of the *Task Force on the Establishment of a Statewide Spay/Neuter Fund*. The task force report stated, in part, that “The state agency, in consultation with the volunteer oversight board, would maintain the spay/neuter fund, ... and set standards for and approve competitive grants. The State agency and advisory board would require a grant recipient to report specific data on how the funding is used as they determine necessary.” The SNAB has created guidelines and applications to ensure that the funding is being used to target the intended goals of reducing shelter intake and euthanasia rates. Since the program's inception it has funded almost 100,000 spay and neuter surgeries. Despite the setbacks caused by the pandemic the program has continued to see positive results in intake (approximately 29% reduction) and euthanasia (approximately 58% reduction) numbers.

HB365 would require the Maryland Department of Agriculture (MDA) to provide a means for individuals to make a voluntary donation to the fund. This would most likely be achieved by providing information on the Spay and Neuter Program’s website for how to submit a donation.

HB365 would expand the services allowable in grant projects to include “Wellness care for cats and dogs at the time of Spay or Neuter service.” We are unsure if this would have a demonstrable

impact on the programs desired target of lowering shelter intake and euthanasia rates. The SNAB would need to update the guidelines to define what type of wellness care would be eligible to be applied for in grant applications. This expansion of services may provide some assistance to pet owners and feral cat caretakers, it could detract from the amount of spay and neuter surgeries that are able to be completed each year. This may have a negative impact on the efficacy of the program.

HB365 also allows for mobile veterinary clinic transportation and transportation services to bring animals to and from clinics. However, the SNAB guidelines already provide for these services as a means of removing the transportation barrier for getting animals spayed and neutered. Additionally, the program has a capital expense grant application that allows for, among other things, the start-up costs of new clinics, including, but not limited to, mobile clinics.

HB365 establishes priorities that the SNAB would be required to use for selecting grants for funding. These requirements would differ from the existing priorities set by the SNAB. The current guidelines state “Grant projects must meet the purpose of the Fund. Grant projects that most effectively and efficiently facilitate, promote, and increase spay and neuter services for cats and dogs in Maryland will be given priority.” The Guidelines also state that “This is a competitive grant, and while the program will consider the below listed allowable expenses, priority is often given to “clean” applications that do not require significant amounts of additional expenses and devote as much money to funding spay and neuter surgeries as possible.” Requiring the SNAB to prioritize applications that use mobile veterinary clinics, that serve multiple jurisdictions, or serve previously unserved areas will compromise the SNAB’s ability to ensure funding for the projects that will have the largest impact on intake and euthanasia rates. The SNAB currently considers the availability of services in a target area and the amount of funding that has gone to the target area when determining funding recommendations. When possible, attempts are made to provide some funding to underserved areas to ensure funds are provided across the state, as well as the amount that a jurisdiction contributes to shelter intakes and euthanasia statewide.

HB365 would require the department to adjust the fee schedule charged to the pet food manufacturers based on their annual registration with the state chemist to coincide with annual inflation rates. The bill would set a baseline of 2013 and over the next 3 years increase the fee to the current inflation rate. After that it would be adjusted annually. We estimate that the fee increase in the first 3 years would be:

- \$9.00 for the first year (total \$109 per product registered),
- \$10.00 for the second year (total \$119 per product registered),
- \$12.00 for the third year (total \$131 per product registered).

After the first 3 years it would vary depending on inflation rates but we could expect an approximately \$2 increase per year after. Using that assumption, at the programs next sunset, the fee would be \$145.00 per product registered.

If you have additional questions, please contact Steve Connelly, Deputy Secretary, at steve.connelly@maryland.gov or (410) 841-5881.