

SENATE BILL REPORT

SB 5202

As of February 12, 2013

Title: An act relating to local animal care and control functions.

Brief Description: Creating the companion animal safety, population control, and spay/neuter assistance program.

Sponsors: Senators Chase, Kohl-Welles, Conway, Shin, Nelson, Darneille, Frockt, McAuliffe, Keiser, Kline, Harper and Rolfes.

Brief History:

Committee Activity: Agriculture, Water & Rural Economic Development: 2/05/13.

SENATE COMMITTEE ON AGRICULTURE, WATER & RURAL ECONOMIC DEVELOPMENT

Staff: Diane Smith (786-7410)

Background: There is no state-funded or state-authorized program to assist with the spay or neuter of companion animals. Various private organizations throughout Washington offer free or reduced-cost spay or neuter surgeries for pet owners. Some private organizations collect donations or co-pays from the owner of the animal to subsidize spay and neuter surgeries. Some private organizations have needs testing and some do not. Unsubsidized spay and neuter surgeries vary in cost. Unsubsidized fees in the Thurston county area can range from \$85-\$400 or more per surgery. Variations in cost occur due to the kind of animal, and the animal's age, sex, and existing physical condition.

Under the Commercial Feed Act (Act), persons who manufacture a commercial feed in this state, who distribute a commercial feed in or into this state, and those whose name appears on a commercial feed label as guarantor must have a license for each facility that distributes in this state. The responsible buyer is defined as a licensee who is not the final purchaser of a commercial feed and has agreed to be responsible for reporting tonnage and paying inspection fees for all commercial feed they distribute. The status of responsible buyer is granted by the Department of Agriculture (Department) and the responsible buyer is not released from this status until the Department notifies the licensee in writing of the release. Some examples of commercial feed for which licensure is required include the products or by-products of sugar refineries, fish meal, condensed whey, hydrolyzed poultry feathers, corn plant pulp, and tallow, among many others. This license must be renewed yearly.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Persons distributing only pet food or specialty pet food are exempt from the requirement of a commercial feed license under the Act. These persons, however, must be registered under the Act. Fees are associated with registration. Registrations are issued for two-year periods. The records retention schedule for all registrants and licensees under the Act is three years.

Summary of Bill: Effective January 1, 2014, the Department Health (DOH) must administer a new program to assist low-income residents in spaying or neutering their cats and dogs, defined as companion animals. DOH must:

- establish eligibility criteria and procedures for screening companion animal owners;
- enroll spay and neuter surgery providers;
- publicize the program;
- actively promote the program to inform the public about companion animal overpopulation issues and surgical sterilization;
- obtain the greatest number of spay and neuter surgeries that can be accomplished;
- maximize the ease of application and receipt of spay and neuter services; and
- set copayment amounts for spay and neuter surgeries.

DOH may contract with organizations with relevant expertise to accomplish the purposes of the program. State agencies including, but not limited to, the Department of Social and Health Services and the Washington State Health Care Authority must work cooperatively with DOH to facilitate the development of screening procedures for determining the eligibility of low-income applicants to participate in the program.

Licensed veterinarians, animal care and control agencies, and nonprofit organizations whose services include performing spay and neuter surgeries on companion animals are eligible to apply to DOH to participate in the program. Participation is voluntary. Service providers must:

- submit an application to the DOH that includes a schedule listing the fees charged for spay and neuter services in its normal course of business;
- provide a fee schedule for various sterilization categories; and
- provide reasonable documentation of direct and indirect costs of performing surgical sterilization.

The program will be funded by a new fee on commercial pet food distributors of \$50 per ton of pet food, on tons of materials used in the preparation of pet food, and by charitable gifts. Each responsible buyer or initial distributor of pet food must pay the spay or neuter fee, with some de minimus and specialty pet food exceptions. The Department must assist DOH in collecting these new fees under its authority under the Act.

The records retention schedule for all registrants and licensees under the Act is changed from three to five years. Persons distributing only pet food or specialty pet food remain exempt from the requirement of a commercial feed license.

Fees must be deposited into a new companion animal spay and neuter assistance account administered by the state Treasurer. DOH may expend funds to:

- fund spay and neuter surgeries on companion animals belonging to low-income individuals;

- pay for presurgical examinations and vaccinations of companion animals; and
- fund spay or neuter surgeries on companion animals in the possession of animal shelters, animal care and control agencies, and other animal welfare organizations.

DOH must:

- reimburse spay and neuter providers based upon the provider's normal fee schedule, provided that the normal fee schedule does not exceed a fee that is usual, customary, and reasonable;
- determine a usual, customary, and reasonable fee by calculating the 70th percentile rate, based upon DOH's review of prevailing fees for similar services;
- establish separate rates of compensation for the reasonable costs of surgical sterilization provided by animal care and control agencies and nonprofit organizations;
- adjust rates of compensation at two-year intervals;
- provide payment to providers on a monthly basis;
- adopt policies and procedures regarding copayment and provider rate determinations; and
- expend at least 90 percent of funds on payment to spay and neuter surgery providers.

DOH must prepare and submit an annual report to describe and evaluate the program's performance and impact over the previous year and cumulatively since the program's inception. The first report must be submitted no later than April 30, 2015. To assist the DOH in evaluating the impact of the programs, a variety of animal care and control organizations must report the number of animals received, where the animals came from, and their fates. Animal shelters that fail to report must be disqualified from receiving monies under this act, at DOH's discretion.

Appropriation: None.

Fiscal Note: Available.

[OFM requested ten-year cost projection pursuant to I-960.]

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This bill, or a form of it, has been before the Legislature for many years. The silver tsunami is coming. The benefit of pet companionship is well established especially for older Americans whose golden years can be made more productive and happy. There is a safety issue with unaltered male dogs that can be overcome to a large degree with neutering. The cost to alter a pet is from \$85 to \$400 while the cost to euthanize is from \$400 to \$600. This is a cost-saving measure for both state and local governments. This program would be paid by pet owners without use of state funds. It is not mandatory to alter your pet. Veterinarians may participate, at their option, so their practices are not necessarily impacted adversely. We already pay for the aftermath of overpopulation in shelter costs and legal fees for dog bites. The low-cost clinics are in urban areas. Most of Washington's population in semi-rural areas cannot afford to go to a local clinic or drive to a lower-cost one in the nearest metro area. When people know where tax money is going, they

are not as resistant to paying the tax. Considering the huge price increases in some pet food, the less-than-one-cent increase this bill could cause is inconsequential. We pay other proactive, cost-effective taxes such as for schools. This bill provides needed services that are measurably effective to the less affluent. This bill does not raise a budgetary issue for the state.

CON: Our disagreement is with the funding. If this is a societal problem, it should be paid for with general fund dollars, not a pet food tax. This is an unfair tax because it targets responsible pet owners and will impact low-income people, too, which is a fundamental flaw. The bill does apply to retailers in the form of their store brands. A voluntary donation box at the check stand would be accepted but it does not serve customers to bury the cost in the price of the pet food and make the payment mandatory.

OTHER: We are in favor of the program but not the funding mechanism.

Persons Testifying: PRO: Senator Chase, prime sponsor; Russ Mead, Animal Law Coalition; Elizabeth Vincenzi, Veterinarian; Rick Hall, Andrea Logan, WA Alliance for Humane Legislation; Kay Joubert, WA Federation of Animal Care and Control Agencies; Jenny Fraley, Pasado's Safe Haven; Mark Hufford, Bainbridge Island and North Kitsap PAWS; Ellen Dorfman, Nancy Pennington, citizen.

CON: Mark Johnson, WA Retail Assn.; Dave Ducharme, Pet Food Institute; Holly Chisa, NW Grocery Assn.

OTHER: Greg Hanon, WA State Veterinary Assn.