

# HOUSE BILL REPORT

## ESHB 1424

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### As Amended by the Senate

**Title:** An act relating to consumer protection with respect to the sale and adoption of dogs and cats.

**Brief Description:** Concerning consumer protection with respect to the sale and adoption of dogs and cats.

**Sponsors:** House Committee on Consumer Protection & Business (originally sponsored by Representatives Berg, Walen, Simmons, Kloba, Street, Taylor, Alvarado, Bateman, Stonier, Paul, Fosse, Macri, Reed, Berry, Senn, Duerr, Riccelli, Doglio, Callan, Peterson, Fitzgibbon, Stearns, Ortiz-Self, Goodman, Thai, Springer, Gregerson, Ramel, Bergquist and Pollet).

**Brief History:**

**Committee Activity:**

Consumer Protection & Business: 1/27/23, 2/14/23 [DPS].

**Floor Activity:**

Passed House: 3/2/23, 92-5.

Senate Amended.

Passed Senate: 4/5/23, 39-9.

### Brief Summary of Engrossed Substitute Bill

- Permits a retail pet store in business before July 25, 2021, to sell dogs or cats only if the retail pet store meets certain conditions.
- Requires retail pet stores to disclose in advertisements, at retail pet store locations, and in writing to the consumer before the sale of a dog or cat certain information.
- Establishes a civil penalty of \$250 for retail pet stores who violate the requirements for selling dogs or cats, and prohibits a retail pet store with three or more violations in one year from selling dogs or cats.

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

- Limits all dog breeders to having no more than 50 intact dogs over the age of 6 months at one time.
- Prohibits the use of consumer leases, retail installment transactions, and consumer loans for the purchase of a dog or cat.

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## HOUSE COMMITTEE ON CONSUMER PROTECTION & BUSINESS

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Walen, Chair; Reeves, Vice Chair; Corry, Ranking Minority Member; Chapman, Connors, Donaghy, Hackney, Ryu and Santos.

**Minority Report:** Do not pass. Signed by 1 member: Representative Volz.

**Minority Report:** Without recommendation. Signed by 3 members: Representatives McClintock, Assistant Ranking Minority Member; Cheney and Sandlin.

**Staff:** Megan Mulvihill (786-7304).

### **Background:**

State law regulates the treatment of animals in a variety of contexts. Animal cruelty statutes prohibit harming or killing animals in most situations and transporting or confining animals in an unsafe manner. State law requires dog breeding operations to limit the number of adult, intact dogs they have at one time, and to meet requirements regarding space, sanitation, and safety. Only licensed commercial dog breeders who were licensed by the United States Department of Agriculture (USDA) prior to January 1, 2010, are allowed to have more than 50 intact dogs over the age of 6 months at one time. Some local governments also impose regulations on the sale of animals intended for use as pets. Examples of local regulations include imposing licensing requirements on retail pet stores and prohibiting the sale of animals in public places. In 2021 legislation passed that prohibited retail pet stores from selling dogs or cats unless the retail pet store was doing so prior to July 25, 2021.

An "animal care and control agency" means any city or county animal control agency or authority authorized to enforce city or county ordinances regulating the care, control, licensing, or treatment of animals. An "animal rescue group" means a nonprofit organization that has a primary purpose of preventing the abuse, neglect, cruelty, exploitation, or homelessness of animals, and exclusively obtains dogs, cats, or other animals for placement that are:

- stray or abandoned;
- surrendered or relinquished by animal owners or caretakers;
- transferred from other animal rescue organizations; or

- born in the care of such nonprofit organization, other than through intentional breeding by the nonprofit organization.

The state prohibits a live dog or cat from being named as collateral for a consumer lease, retail installment transaction, or consumer loan.

### **Summary of Engrossed Substitute Bill:**

A retail pet store that sold or offered for sale any dog or cat prior to July 25, 2021, may sell or offer for sale a dog or cat only if the following conditions are met:

- the dog or cat is sold or offered for sale only at the address identified on the retail pet store's business license;
- dogs sold or offered for sale are obtained either directly from breeders, including out-of-state breeders, that meet the requirements of state breeding laws or United States Department of Agriculture (USDA)–licensed brokers who obtain dogs from breeders who meet the requirements of state breeding laws;
- a dog must possess documentation obtained from its breeder, either directly or through a USDA-licensed broker, demonstrating that the dog was not separated from its mother prior to the age of eight weeks and the breeder's compliance with Washington's breeder laws on the date the dog was obtained from the breeder;
- retail pet stores must, prior to obtaining a dog from a breeder or broker, obtain all inspection reports for the breeder created by the USDA within the previous three years, if applicable, and maintain and, upon request, produce the records for a period of five years following the sale of a dog;
- retail pet stores must include on advertisements offering to sell a dog or cat the range of prices at which a dog or cat, breed of dog or cat, or dogs or cats having other distinguishing traits are offered for sale; the age of the dog or cat; and supporting documentation providing the applicable federal or state license numbers for the dog or cat breeder, if applicable;
- retail pet stores must post, in a location visible from the entrance on a kiosk or other bulletin board, the purchase price and age of the dog or cat, and the breeder's name, kennel name, city and state, and applicable state or federal license numbers; and
- retail pet stores must disclose to a prospective consumer, in writing prior to a sale, the purchase price of the dog or cat, applicable federal or state license numbers, and an unredacted list of all violations of any federal or state law the dog or cat breeder received in the previous two years on a federal or state inspection report.

For retail pet stores that provide space and appropriate care for animals owned by animal care and control agencies, or animal rescue groups for the purpose of adopting the animals, the retail pet store must display on each cage or pen containing a dog or cat a label stating the certificate of source, including the name and address of the animal care and control agency or animal rescue group.

A retail pet store that violates these requirements is subject to a civil penalty of \$250. Civil

penalties must be paid to the county where the violation occurred and are appealable to the Office of Administrative Hearings. A retail pet store that has more than three violations in a one-year period is prohibited from selling or offering to sell any dog or cat.

A person is prohibited from having more than 50 intact dogs over the age of 6 months at any time, regardless of whether the person was a USDA-licensed commercial dog breeder before January 1, 2010.

Any consumer lease, retail installment transaction, or consumer loan entered into for the purchase of a dog or cat is void and unenforceable, and the lessor, retail seller, or licensee has no right to collect, receive, or retain any principal, interest, or charges related to the lease, retail installment transaction, or loan.

### **EFFECT OF SENATE AMENDMENT(S):**

The Senate amendments made the following changes:

- prohibits retail pet stores from selling cats, regardless if the retail pet store sold cats prior to July 25th, 2021 and meets certain requirements;
- changes the civil penalty to a class 1 civil infraction of \$250 under chapter 7.80 RCW for any person or corporation that violates the provisions regarding retail pet stores selling dogs and permits the infraction to be served on the retail pet store's registered agent;
- permits enforcement officers authorized to enforce civil infractions, along with animal control officers, to investigate and enforce regulations for retail pet stores selling dogs; and
- expressly permits cities, towns, and counties to enact or enforce local ordinances that are more proscriptive than the state law regarding the sale of animals by retail pet stores or that provide penalties equal to or greater than the state law.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

### **Staff Summary of Public Testimony:**

(In support) The vast majority of puppies are coming into the state from out-of-state puppy mills with health problems and being sold to consumers at predatory interest rates. This is such an emotional and financial burden for people who were seeking a companion and instead were lured into numerous veterinary bills and debt with a 199 percent interest rate. Families signed away a great deal of their disposable income and put their hearts on the line. In some cases these dogs cost over \$12,000. Sometimes these animals die within

weeks or have health conditions or genetic anomalies that accrue veterinary bills in the thousands. This is a multimillion-dollar business built on the abuse of animals.

Washington has high standards for dog breeding, so why does the state allow puppy mills? Eastern Washington is drowning in puppies, of which many have been transferred to the west side of the state. Facilities are out of space and there are limited foster homes for these dogs. There is no shortage of good animals available for adoption. There is a retail pet store in Moses Lake that does not have a spay or neuter requirement nor does the store provide vaccination records. Backyard breeders are the problem, especially since it is believed that they are selling to the retail pet store. These retail pet stores claim they do not buy puppies from puppy mills, and that the sale of puppies should be regulated rather than banned. However, one of the pet stores had over 20 violations after the ordinance was passed. Only a full ban on the sale of puppies will solve the problem as there is no shortage of victims. One individual took a retail pet store to court for their business practices and won. When the individual asked for information on the breeder, she was told, "No," to protect the breeder's privacy and was told she would need to purchase the animal first. The dog needed \$6,000 in veterinarian care. She was told the dog was purebred, and it was not.

Cities and counties such as Renton, Gig Harbor, Pierce County, and Kitsap County have adopted ordinances to prevent the sale of puppy mill puppies and kittens. However, there is a lack of resources, training, and an inability to enforce local ordinances. When the state prevented new retail pet stores from opening this was a great first step, but a strong state law is the only approach to address the issue. This is not a ban from selling dogs if the dogs are coming from reputable, responsible breeders. Other retail stores must provide information about their products. This is a straightforward approach to consumer protection. Purchasing an animal with unknown health conditions is more emotional than buying a defective car or product. Both the consumer and the product have a heartbeat and the state has a responsibility to protect both.

(Opposed) The criticisms expressed do not describe all retail pet stores. The core of this proposal targets two stores, and there is false, misleading information that continues to attack these businesses. Puppy mills are horrible, and this is not about defending puppy mills. All puppies are sourced from local, private breeders. Pierce County did not document violations for a certain retail pet store, so where are the accusations coming from about 20 violations? Certain breeders choose to sell to a retail pet store because they receive a fair price and do not have to engage in marketing or with the public. Many of the concerns about puppy mills have already been addressed by the city and county ordinances. Certain retail pet stores are transparent with customers and provide details about the puppy. Some retail pet stores do not list the address of the breeder because there are examples of the breeders getting harassed by animal rights groups. If businesses are sourcing their animals inappropriately that should be addressed, but to apply a blanket prohibition is wrong.

Activists go across the country presenting these types of bans to legislators and getting them

passed with little notice to consumers. This legislation expects retail pet stores to change their business model by only selling pet items and working with shelters. This legislation will put retail pet stores out of business as it forces them into a nonprofit status since fees cannot be charged. Housing adult dogs would be cost prohibitive for space reasons. Puppies make up 90 percent of revenue, so without puppies, there is no business. There are constitutional issues when targeting one specific business, and it is bad policy to overcome local laws to take out a specific business. The state could apply standards that cities and counties have adopted rather than prohibiting the sale of animals.

Consumers deserve to have choices on where and how to obtain a pet. If retail pet stores are removed from the market, consumer options are reduced. There are consumers who have had negative experiences with shelters. Shelters have certain conditions before allowing a dog to be adopted, like requiring that an individual does not work too many hours or has a fenced backyard. These are discriminatory practices. Shelters require animals to be fixed, and some consumers may not want this. Some individuals do not want the risk of adopting a rescue animal, who may have behavioral issues. A lot of animals that come from rescues come from puppy mills. There are no puppies in shelters as a result of retail pet stores. Over population problems are the result of other problems, like home insecurity. People may decide to give up their furry friend because they cannot afford to feed the pet or themselves. Prohibiting retail pet stores from selling animals does not stop people from wanting what they want. A ban will create a dangerous consumer market that will increase online, sight-unseen transactions and parking lot deliveries. There will be an explosion of dogs at shelters and an increase in euthanization.

Retail installment transactions are used for other items as well as pets, like mattresses and appliances, and those are not being regulated. Retail pet stores are subject to the Consumer Protection Act, state law, and municipal ordinances, and there are civil remedies available. If an individual purchases a puppy sight unseen over the internet from a backyard breeder, the individual does not have civil remedies.

**Persons Testifying:** (In support) Representative April Berg, prime sponsor; Lisa Parshley, Olympia City Council; Ashly Dale; Claire Wilkinson; Jeni Woock; Bonnie Helvey, Animal Rescue Friends Society of Grant County; Darci Duker; Kathryn Neary; Jill Servais; Brooke Davies, Pasado's Safe Haven; Mindi Callison, Bailing Out Benji; and Carollynn Zimmers.

(Opposed) Paula Sardinias and Albert Sardinias, FMS Global Strategies; Justin Kerr, Kayla Kerr, and Matthew Milligan, Puppyland; Debbie Goodrich, Flight Club Foundation; Ben York, Martin Davis Law; Lawrence Zimmer and Judith Zimmer, Zimmer's Alley Cat Pet Center; Josh Armour; Robert Likins, Pet Advocacy Network; Mike Asai; Peter Manning; and Damian Mims.

**Persons Signed In To Testify But Not Testifying:** None.