

SENATE BILL REPORT

ESHB 1424

As Reported by Senate Committee On:
Law & Justice, March 9, 2023
Business, Financial Services, Gaming & Trade, March 28, 2023

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

Committee Activity: Law & Justice: 3/09/23 [w/oRec-BFGT, DNP].
Business, Financial Services, Gaming & Trade: 3/21/23, 3/28/23 [DPA, w/oRec].

Brief Summary of Amended Bill

- Requires retail pet stores to disclose certain information regarding the breeder in advertisements, at retail pet store locations, and in writing to the consumer before the sale of a dog.
- Establishes a civil infraction of \$250 for retail pet stores that violate the requirements for selling dogs, and prohibits a retail pet store with three or more violations in one year from selling dogs.
- 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.

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.

SENATE COMMITTEE ON BUSINESS, FINANCIAL SERVICES, GAMING & TRADE

Majority Report: Do pass as amended.

Signed by Senators Stanford, Chair; Frame, Vice Chair; Dozier, Ranking Member; Boehnke, Hasegawa, Lovick, MacEwen and Mullet.

Minority Report: That it be referred without recommendation.

Signed by Senator Gildon.

Staff: Kellee Gunn (786-7429)

Background: Legislative History on the Laws Pertaining to the Sale and Lease of Live Cats and Dogs. In 2009, the Legislature enacted ESSB 5651 which established certain requirements on dog breeders. These requirements included a limit of 50 intact dogs over the age of 6 months at any one time, and minimum housing requirements. Certain types of facilities are exempt from these requirements, including commercial dog breeders licensed by the United States Department of Agriculture (USDA) pursuant to the Animal Welfare Act before January 1, 2010.

In 2019, the Legislature enacted SHB 1476 which prohibited live dogs and cats from being named as collateral in a consumer lease agreements or secured transaction.

In 2021, the Legislature enacted SHB 1424 which prohibited retail pet stores from selling cats, and limited selling or offering to sell a dog to stores as of July 25, 2021.

Prior to the 2021 legislation, several local governments had passed ordinances prohibiting retail pet stores from selling or offering to sell live cats and dogs.

Animal Welfare Act. At the federal level, several laws further govern the rights of animals. Most relevant to buying and selling animals is the Animal Welfare Act, which was enacted in 1966. The act protects animals kept in zoos, laboratories, and those commercially bred and sold. The USDA enforces the Animal Welfare Act and regulates household pets.

Summary of Bill: The bill as referred to committee not considered.

Summary of Amended Bill: Retail Pet Stores. A retail pet store may only sell a dog if they meet the following requirements:

- the sale, or offer of sale, must occur at the same address on the retail pet store's license;
- any dog sold must be obtained directly from a breeder, or USDA licensed broker;
- documentation demonstrating that the dog meets certain requirements relating to when the puppy was separated from its mother and the compliance of the dog breeder with state law;
- inspection reports obtained from the USDA from the previous three years from the

- dog's breeder, with a requirement to hold them for minimum of five years;
- the range of prices for dogs for sale along with the ages and supporting documentation providing license numbers for the breeders must be included in advertisements;
- certain information about the breeder must be posted in a visible location; and
- certain information must be disclosed in writing to a prospective customer on the purchase price of the animal and any violations the breeder has received within the previous two years.

It is a class 1 civil infraction, subject to the maximum infraction of \$250 for any violation of this law by a person or corporation. Animal control officers and local enforcement officers may investigate and enforce this law. Any retail pet store who has three or more violations over a one-year period is prohibited from selling any dog or cat. Appeals are pursuant to the court of limited jurisdiction.

A retail pet store may give space to animals available for adoption owned by an animal care and control agency or animal rescue group if certain conditions are met.

Dog Breeders. A commercial dog breeder licensed by the USDA pursuant to the Animal Welfare Act before January 1, 2010, is subject to the current requirements under state law for all dog breeders, including having no more than 50 intact dogs over the age of six months at one time.

Consumer Leases, Retail Installment Contracts, and Loans for Purchase of a Dog or Cat. A lease contract, retail installment contract, and loan for a dog or cat entered on or after the effective date of this act is void and unenforceable. The lessor, retail seller, or licensee has no right to collect, receive, or retain any principal, interest, or charges related to that contract, retail installment transaction, or loan.

EFFECT OF BUSINESS, FINANCIAL SERVICES, GAMING & TRADE COMMITTEE AMENDMENT(S):

- Removes the ability of a retail pet store that sold or offered for sale any dog prior to July 25, 2021, to sell a cat.
- Establishes that a violation by a retail pet store is a class 1 civil infraction subject to the maximum infraction of \$250 and appeals are pursuant to the court of limited jurisdiction.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony on Proposed Striking Amendment: *The committee recommended a different version of the bill than what was heard.* PRO: This is about animal and consumer protection. Puppy mills are shipping dogs into local pet stores. Pet stores are selling these pets with exorbitant interest rates, saddling the consumers with loans even after the pet has perished. Current pet stores must comply with our laws, closing a loophole. This also closes a loop around usury laws around the loans for purchasing pets. Puppy mill puppies create emotional and financial hardships for families. In 2021, the Legislature prohibited new pet stores from selling dogs. Washington State has laws so commercial breeders should not be able to operate in this state, but through a loophole puppy mill dogs are being sold at retail pet stores.

There is a jurisdictional issue in the civil infraction part of the bill.

The striking amendment alleviates many concerns by stakeholders. The claim that this is going to shut down small businesses is not accurate. Any business that cares about animals can make a living off of selling things to support animals, like food and treats. There are many reputable breeders. They want to interview and have consumers tour their facilities. There are animal rescues, and others, that exist to help people with PTSD or veterans find their animals. On petfinder.com I was able to find dozens of animals available within a drive of my house.

In 2020, Olympia passed an ordinance to prohibit retail pet stores from selling cats and dogs. If you go into a store to buy a puppy, you have no idea where it is coming from. Between 50-80% of their a puppy store's business comes from financed purchases. Puppy stores offer extremely high interest rates to those who would not otherwise be able to pay. Washington strongly regulates commercial dog breeders. USDA requirements do not require a minimum number of employees per number of animals. When I purchased my dog from Puppyland, I asked about the breeder, and they said they could not provide me any information. This information is only provided to consumers after they have signed all the paperwork. Puppyland says they only have purebreds, but then in small print says they cannot guarantee that they are purebred.

OTHER: For the past four and half years we have been working hard to make sure the puppies are healthy at Puppyland. Our breeders care about the dogs, and they are not puppy mills. Puppyland has gone above and beyond the law to ensure breeders are educated. Pierce County has enacted an ordinance on retail pet stores, which we are complying with. Please revert the bill to where it was when it passed the House. If all of our puppies were sick, we would be out of business. Providing the access to breeders, like the bill requires, would put us out of business. We are one of only two retail pet stores that sell dogs that are still in business. We support the intent of transparency.

To finance their purchase, a consumer doesn't need Puppyland - people can go to

Moneytree, put the purchase on a credit card, or take out a loan elsewhere to buy these dogs. I don't support the requirement of interviewing breeders. Not all breeders have access to the internet, and some cannot participate because of religious reasons.

My husband and I were denied adoption of dogs as we needed a dog at approximately 10 weeks old. This bill is not properly stakeholdered. There are two stores left that are complying with their local ordinances. These stores provide consumers a choice. Families in vulnerable positions, people with PTSD, those who need emotional support animals, they need this choice.

The bill only requires an affidavit. The affidavit should include an annual inspection by the local animal control board. Only dog breeders that sell to pet stores would need to ask for these inspections.

Persons Testifying: PRO: Representative April Berg, Prime Sponsor; Dr. Lisa Parshley, Olympia City Council; Dan Paul, The Humane Society of the United States; Mindi Callison, Bailing Out Benji; Darci Duker; Brooke Davies, Pasado's Safe Haven; Claire Wilkinson.

OTHER: Kathryn Neary; Paula Sardinias, FMS Global Strategies; Albert Sardinias, FMS Global Strategies; Kayla Kerr, Puppyland; Justin Kerr, Puppyland.

Persons Signed In To Testify But Not Testifying: No one.