



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

HB 20-1084

FINAL
FISCAL NOTE

Drafting Number: LLS 20-0033
Prime Sponsors: Rep. Duran
Sen. Foote

Date: April 29, 2020
Bill Status: Postponed Indefinitely
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Bill Topic: REQUIREMENTS FOR DOG & CAT BREEDERS & SELLERS

**Summary of
Fiscal Impact:**

- | | |
|---|--|
| <input checked="" type="checkbox"/> State Revenue | <input checked="" type="checkbox"/> TABOR Refund |
| <input checked="" type="checkbox"/> State Expenditure | <input type="checkbox"/> Local Government |
| <input type="checkbox"/> State Transfer | <input type="checkbox"/> Statutory Public Entity |

The bill would have set standards for dog and cat breeders and prohibited the sale of dogs and cats by pet stores and by a person in a public place. It also would have prohibited an animal shelter or pet animal rescue organization from receiving a dog or cat in exchange for payment or other compensation from a breeder, reseller, or auction. It would have reduced state revenue from fees beginning in FY 2020-21, and increased revenue from fines and expenditures beginning in FY 2021-22. Any revenue reduction may have been offset by an increase in licensing fee amounts.

**Appropriation
Summary:** No appropriation is required.

**Fiscal Note
Status:** The fiscal note reflects the introduced bill. This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

Table 1
State Fiscal Impacts Under HB 20-1084

		FY 2020-21	FY 2021-22
Revenue		-	-
Expenditures	Cash Funds	-	\$37,310
	Total FTE	-	0.2 FTE
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

The bill would have set standards for dog and cat breeders, including limiting the number of unsterilized animals over six months of age to 25 per site, specifying enclosure size, structure and location, and limiting the frequency of breeding for female cats and dogs. Dogs and cats would have had to be screened for congenital disorders and be in documented good health prior to breeding. Breeders would have been required to endeavor to place adult dogs and cats that the breeder no longer wishes to retain with an adoptive family, rescue organization, or other owner who is not a breeder unless a licensed veterinarian determines that the dog or cat requires euthanasia. No breeder or reseller could have offered an animal for sale to a consumer unless the dog or cat originated from a breeder that complied with the provisions of the bill.

The bill would have prohibited the sale of dogs and cats by pet stores and by a person in a public place. It also would have prohibited an animal shelter or pet animal rescue organization from receiving a dog or cat in exchange for payment or other compensation from a breeder, reseller, or auction.

Background

The Department of Agriculture (CDA) administers the Pet Animal Care Facilities Act (PACFA) program which regulates pet animal breeders, groomers, trainers, boarders, shelters, rescues, and sellers. The Commissioner of Agriculture promulgates rules pertaining to minimum standards of physical facility, sanitation, ventilation, temperature, humidity, spacial and enclosure requirements, nutrition, humane care, and medical treatment. The Division of Animal Industry in the CDA conducts four types of inspections: pre-license, routine, complaint-based, and follow-up. When violations are noted during an inspection, licensees are expected to correct them. The CDA has 7.0 FTE for licensing and inspection of 2,200 facilities statewide.

Data and Assumptions

In 2018, the most recent year for which data are available, there were a total of 200 dog breeders, 67 of which had more than 25 dogs onsite. There were 10 cat breeders, all of which had under 25 animals. The state has approximately 17 retail stores and 17 wholesale facilities that sell dogs and cats and would be subject to the provisions of the bill. The fiscal note assumes that some licensees will choose not to renew their licenses under the PACFA. If all of the licensees subject to the bill choose not to renew, the loss of revenue would be approximately \$52,000, but the fiscal note assumes that some licensees will adjust their businesses to conform with the bill. Current license fees range from \$450 to \$600, and statute sets the maximum allowable fee at \$700. The annual renewal deadline is June 30.

State Revenue

The bill may have reduced state revenue from fees by up to \$52,000 beginning in FY 2020-21 from PACFA licensees that do not renew their licenses. If the revenue reduction had affected the PACFA budget, the Commissioner of Agriculture could have offset the reduction by increasing licensing fees. The bill may have also resulted in an increase in revenue from fines which are set in statute at a maximum of \$1,000 for deposit into the General Fund. Fine collections for enforcement actions taken under the new requirements were not expected until FY 2021-22. Fines and fees would have been subject to TABOR.

State Expenditures

This bill would have increased ongoing cash fund expenditures in the CDA by \$37,310 beginning in FY 2021-22 for legal services costs associated with an increase in enforcement actions for violations of the new requirements. The CDA would have required 350 hours of legal services at a rate of \$106.60 per hour from the Department of Law, resulting in an additional 0.2 FTE to for the department.

TABOR refund. Under the March 2020 LCS Economic and Revenue Forecast, the state is not expected to collect revenue above the TABOR limit in either FY 2020-21 or FY 2021-22, and refund obligations are not anticipated for these years. This bill would not have changed these expectations concerning refunds to taxpayers.

Effective Date

The bill was postponed indefinitely by the House Rural Affairs and Agriculture Committee on February 3, 2020.

State and Local Government Contacts

Agriculture

Information Technology

Law