## ANALYSIS

This bill prohibits the sale of dogs and cats by retail pet shops except in certain cases.

Explanation: Matter added to current law appears in bold italics.
Matter removed from current law appears [in brackets and struckthrough.]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE<br>In the Year of Our Lord Two Thousand Twenty Four

AN ACT relative to retail pet stores.
Be it Enacted by the Senate and House of Representatives in General Court convened:

1 New Paragraph; Retail Pet Store; Definition. Amend RSA 437:1 by inserting after paragraph IV the following new paragraph:

IV-a. "Retail pet store" means a pet vendor that transfers animals at retail to the public from a physical facility. "Retail pet store" does not include an "animal shelter facility."

2 Prohibition; Retail Pet Stores. Amend RSA 437:5 to read as follows:
437:5 Prohibition.
I. No licensee under this subdivision shall transfer, other than to a qualified veterinarian or licensed animal shelter facility, any maimed, sick, or diseased animal or bird other than as permitted under RSA 437:8, II nor shall any licensee treat inhumanely any animal or bird in his or her care or possession or under his or her control.
II. No retail pet store shall transfer a dog or cat, except as provided in RSA 437:7, III.
III. Nothing in paragraph II shall prohibit a retail pet store from providing space to an animal shelter facility, for the purpose of showcasing adoptable animals to the public, provided that the retail pet store does not have any ownership interest in the animals offered for adoption and does not receive any fee for providing such space.

3 New Paragraph; Retail Pet Store; Exemptions. Amend RSA 437:7 by inserting after paragraph II the following new paragraph:
III.(a) A retail pet store may transfer a dog or cat only if all of the following requirements are met:
(1) The retail pet store was licensed as a pet vendor by the commissioner before effective date of this July 1, 2024.
(2) At the time of transfer, the retail pet store has a valid pet vendor license issued by the commissioner.
(3) The transfer would not cause the retail pet store to have more transfers of dogs or cats for the calendar year than the retail pet store completed in 2023.
(4) At the time of transfer, the retail pet store remains in the same ownership as indicated on its most recent pet vendor license issued by the commissioner before the effective date of this section.
(5) At the time of transfer, the retail pet store remains in the location as indicated on its most recent pet vendor license issued by the commissioner before July 1, 2024.

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(6) The retail pet store provides to the commissioner documentation of the ownership of the pet store as well as the number of dogs and cats transferred in 2023, and annually thereafter.
(b) For purposes of this section, "remains in the same ownership" means a static state of ownership in which no ownership interest changes after the effective date of this section, except, in the case of a transfer of ownership to the owner's spouse, domestic partner or one or more children of the owner. If there is ambiguity as to whether a retail pet store remains in the same ownership, the pet store does not satisfy the requirements of subparagraph (a)(4).

4 Penalty. Amend RSA 437:10, II to read as follows:
II. In addition to the penalty under paragraph I, any pet vendor or retail pet store who violates any of the provisions of this subdivision or rule adopted under it may be subject to an administrative fine levied by the commissioner, not to exceed $\$ 1,000$ for each violation. Each dog or cat transferred by a retail pet store in violation of RSA 437:5, II shall constitute a separate offense.

5 Effective Date. This act shall take effect January 1, 2025.

## SB 541-FN- FISCAL NOTE AS INTRODUCED

AN ACT relative to retail pet stores.
FISCAL IMPACT: [ X ] State [ ] County [ ] Local [ ] None

| Estimated State Impact - Increase / (Decrease) |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
|  | FY 2024 | FY 2025 | FY 2026 | FY 2027 |
| Revenue | \$0 | Indeterminable Decrease | Indeterminable Decrease | Indeterminable Decrease |
| Revenue Fund(s) | General Fund |  |  |  |
| Expenditures | \$0 | \$0 | \$0 | \$0 |
| Funding Source(s) | None |  |  |  |
| Appropriations | \$0 | \$0 | \$0 | \$0 |
| Funding Source(s) | None |  |  |  |

- Does this bill provide sufficient funding to cover estimated expenditures? [X] N/A
- Does this bill authorize new positions to implement this bill? [X] No


## METHODOLOGY:

This bill prohibits the sale of dogs and cats by retail pet shops except in certain cases. The
Department of Agriculture, Markets and Food makes the assumptions below regarding the impact of this bill:

- The bill would reduce the number of entities engaging in the commercial transfer of pets including rescues, pet stores and local breeders.
- No local breeder is currently or will be allowed to transfer more than 30 animals in a year.
- Out of state brokers, with no physical facility in NH, will remain a viable business option.
- New Hampshire residents will still want pets at a rate similar to the current demand. The remaining commercial outlets would not have the capacity to meet demand as shelter capacity limits would not be expanded in favor of consumer demand over animal health protections.
- On-line, sight-unseen transfer opportunities would expand. These transfers are impossible to regulate and are much risker in regard to disease introduction, spontaneous purchases, and purchase by less savvy consumers. There would be an
increase in unqualified and under-qualified people deciding to 'give dog breeding a try' as a means to create extra income.
- Fewer entities would remain in business under this bill. It would not be efficient or practical for the State to maintain a regulatory licensing program to oversee so few entities when there are other areas in need of regulatory support to which the existing resources of the Department could be redirected.
- The Department would still handle all matters related to importation documents and official certificates of transfer for dogs, cats, and ferrets. This work would require substantially less staff than are currently committed to the pet vending program. There would be no savings as existing staff would be redirected to other core mission tasks of the Department that are not adequately addressed due to resource limitations.
- The Department currently licenses 142 entities and collects $\$ 28,400$ in annual license fee revenue. If fewer entities remain, as assumed above, general fund license fee revenue would be reduced. If the regulatory licensing program were to end this fee revenue would be reduced to $\$ 0$.
- Closure of 70 or more small businesses could have implications for employment, household incomes and business taxes.


## AGENCIES CONTACTED:

Department of Agriculture, Markets and Food

