

## **2022 Regulatory Update Part 2: What We Are Watching In the Pet Industry**

### **Relating to the Pet Industry and Obtaining Pets**

#### **Sale of Pets in Retail Establishments**

The following states have passed laws banning or restricting the sale of pets in retail establishments: California, Colorado, Maine, Maryland, Illinois and Washington. New York has moved closer to a ban as well. Assembly Bill 4283 and companion Senate Bill 1130 would define “retail pet shop” and prohibit the retail sale of dogs, cats and rabbits by retail pet stores. On May 10, SB1130 passed the Senate and was referred to the Assembly Codes Committee. On May 23, SB1130 was ordered to be reported from Assembly Codes and was substituted for AB4283. On June 3, SB1130 passed the Assembly and is awaiting the Governor’s signature.

Other states considering or having considered similar legislation include: Indiana, Florida (died in committee), Kentucky, Massachusetts, Minnesota, New Jersey, Oklahoma, Pennsylvania and Texas. Over 400 municipalities have enacted similar local ordinances, with localities in multiple states continuing to consider similar ordinances.

We continue to monitor bills in multiple states that would restrict the sale of pets from retail pet stores. Still pending is New York Assembly Bill 2024 that would limit licensing only to pet dealers that sell animals obtained from shelter and rescue operations. Also pending is Assembly Bill 8118 that would require pet shops to provide information to the Department of Agriculture & Markets regarding where the store purchased each animal and the cost.

The Iowa bill (Iowa Senate Bill 483) seeking to limit local legislation prohibiting the operation of an animal enterprise or the use of a working animal has died in committee. Under that bill animal enterprises would have included, among other entities, animal shelters, breeders, boarding kennels and pet shops.

Notably, in Florida, SB 620 and HB 569 contemplate empowering pet stores going forward to recover damages in localities that enact pet sale bans. HB 569 died in the House, but SB 620 passed the Senate only to be vetoed by Florida Governor DeSantis. While the veto of the business measure was praised by local-government and environmental groups, DeSantis is viewed as leaving open the door for lawmakers to consider similar, but more targeted, legislation in the future.

#### **Pet Leasing**

The following states have banned pet leasing: Massachusetts, Illinois, Washington, New Jersey, Virginia, Indiana, California, Nevada and New York. California is considering a new bill, AB2380, which would prohibit online pet retailers from offering leasing or other financing options

for the adoption or sale of a dog, cat or rabbit. This legislation would not apply to the adoption or purchase of service animals.

In April of this year, a California-based finance company agreed to pay more than \$900,000 to settle allegations that it was illegally leasing dogs in Massachusetts. According to the Massachusetts Attorney General's Office, Monterey Financial Services LLC allegedly purchased and collected on leases for dogs, which is illegal in the state, and engaged in illegal collection practices to collect outstanding balances on the leases. As part of the settlement agreement, Monterey will stop collecting on active leases, cancel about \$700,000 in outstanding consumer debt on 211 dog leases — about \$3,300 owed per lease — and transfer full ownership of the dogs to Massachusetts residents, according to authorities. The company will also pay consumers \$175,000 in restitution and pay the state \$50,000.

### Pet Dealers or Breeders

#### **State Action**

In keeping with recent years, states continue to raise standards for pet breeders. New Hampshire enacted legislation (HB250) that sets limits on breeders of dogs, cats, and ferrets that may be transferred without a pet vendor license. The law also creates an exemption from the requirement to obtain a pet vendor license for certain breeders of dogs and cats.

These bills may require licensing, recordkeeping, housing standards, veterinary care, and impose additional inspections on breeders and/or shelters. New York Assembly Bill 2601 and Senate Bill 4912 would provide for the registration and regulation of dog and cat breeders. Both bills are pending in their respective Agriculture Committees. There are several bills pending in Massachusetts that would set licensing requirements for breeding, boarding and training facilities, and Georgia Senate Bill 303 would set standards for breeders in that state. In Florida, HB 849 and SB 994 have been prefiled and would require licensure of pet stores and limit sources from which pet stores may acquire pets for sale among other mandates. Arizona enacted legislation in April that requires shelters to scan cats or dogs in their possession for microchips. Pending regulations in Illinois would add certain enclosure, sanitation, lighting, ventilation and safety requirements for dog breeders, cat breeders, animal shelters, kennel operators, animal control facilities, foster homes, and pet shop operators licensed under the IL Animal Welfare Act.

#### **Federal Action**

As reported in our last update the federal government is taking action to regulate pet dealers. The "Puppy Protection Act of 2021" (United States Senate Bill 1385) was introduced on April 27, and would require the Department of Agriculture to expand standards that govern the humane handling, care, treatment, and transportation of animals to include new requirements for commercial dog dealers. It remains pending in the Senate Committee on Agriculture, Nutrition, and Forestry.

Also referenced in our previous update, in January 2022 HR 6100 or “Goldie’s Act” was referred to the House Subcommittee on Livestock and Foreign Agriculture. HR 6100 would amend the Animal Welfare Act to require that the United States Department of Agriculture (USDA) have access to breeding facilities at all reasonable times, make inspections at least once a year, and record all violations. On January 4 of this year it was referred to the Subcommittee on Livestock and Foreign Agriculture.

### Grooming and Other Pet Care Services

As in the past, states continue to propose and pass legislation seeking to regulate other animal related establishments, such as groomers, kennels, boarding establishments, shelters, pet trainers, importers, transporters and even home based kennels. The bills relate to licensing, registration, housing and sanitation standards, training and inspections. A number of pending bills in New Jersey, along with Massachusetts House Bill 378, would require pet groomers to be licensed. New York Assembly Bill 135 (referred to the Economic Development Committee) and companion Senate Bill 5688 (referred to the Consumer Protection Committee) would provide for the registration and regulation of pet groomers, and establish standard of care, training and testing.

### Supply/Shipping Challenges

#### **Federal legislation**

We previously reported that the **Ocean Shipping Reform Act of 2021** (H.R. 4996), was introduced in the United States House of Representatives and passed by a vote of 364-60 on December 8, 2021.

On June 16, 2022, President Biden signed into law the related and bipartisan **Ocean Shipping Reform Act of 2022** (S. 3580), which seeks to level the playing field for American exporters and importers by providing the The Federal Maritime Commission (FMC) with the necessary tools for effective oversight of international ocean carriers. According to Senator Maria Cantwell, “Consumers are tired of paying higher prices for everyday goods, and our farmers are tired of paying skyrocketing shipping costs. With President Biden’s signature, the Ocean Shipping Reform Act will level the playing field between big international shipping lines and agricultural exporters so all our products – from hay to apples – will no longer be stranded on the docks.”

First introduced in February 2022 by Sens. Amy Klobuchar (D-Minnesota) and John Thune (R-South Dakota) the Ocean Shipping Reform Act of 2022 was passed by the Commerce Committee on March 22. On March 31 the Senate unanimously passed the legislation and on June 13 it passed the House before being enacted three days later.

For a summary of the legislation, click here: <https://www.cantwell.senate.gov/download/osra-section-by-section->

To access the bill text, click here:

<https://www.commerce.senate.gov/services/files/A5E52C34-9FBA-49DF-8BB1-3AF201D976D7>

## **Pet Food Institute (PFI) Advocacy Campaign Requests Urgent Action: Tell Congress To Feed People and Pets First**

Pet food makers are experiencing ingredient marketplace disruption due to government mandates and tax credits promoting the expansion of renewable diesel. State and federal actions have created unintended consequences in the supply and demand for animal- and plant-based oils and fats, which are critical ingredients for pet nutrition and health.

Pet food makers are facing prices two and three times their market cost due to unfair competition for fats and oils with fuel producers. In addition to higher prices, there is a scarcity of these ingredients now, and this is expected to continue until these market disparities are addressed.

PFI and pet food industry allies have created this advocacy campaign to ask Congress not to advance mandates and incentives for renewable diesel that use or include the fats and oils that are historically used in human and pet food.

To join PFI's advocacy campaign, use the following link:

<https://www.petfoodinstitute.org/advocacy/regulatory-legislative-affairs/advocacy-campaigns/>

(PFI)