SENATE BILL 820

M4 3lr1791
CF 3lr1790

By: **Senator Benson (Chair, Task Force on the Establishment of a Statewide Spay/Neuter Fund) and Senators Rosapepe, Astle, Conway, Jennings, Madaleno, Manno, Montgomery, Pinsky, Pugh, Raskin, Stone, Young, and Zirkin**

Introduced and read first time: February 1, 2013
Assigned to: Education, Health, and Environmental Affairs

A BILL ENTITLED

AN ACT concerning

Animal Welfare – Spay/Neuter Fund – Establishment

FOR the purpose of establishing the Spay/Neuter Fund within the Department of Agriculture; stating the purpose of the Fund; requiring the Department to administer the Fund; specifying the contents of the Fund; requiring the Department to establish a certain surcharge on commercial animal feed and deposit the revenue into the Fund; authorizing the Fund to be used to establish a statewide voucher program to support the provision of spay/neuter services; establishing certain income–based eligibility criteria for the voucher program; requiring the Department to negotiate certain rates for the provision of low cost spay and neuter surgeries and rabies shots under the voucher program; requiring the Department to set a nominal copayment to be made by a participating eligible individual under the voucher program; requiring the Department to deposit all money received for copayments into the Fund; authorizing an eligible individual to purchase a voucher from the Department after taking certain action; requiring the Department to provide certain information to an eligible individual who purchases a voucher; authorizing an eligible individual who purchases a voucher to redeem the voucher for a free spay or neuter surgery and, if necessary, rabies shot at a participating veterinarian; prohibiting a participating veterinarian from billing an eligible individual for certain additional charges; authorizing a participating veterinarian to submit a redeemed voucher to the Department for reimbursement at a certain rate; authorizing the Fund to be used to establish a competitive grant program to support the provision of spay/neuter services; requiring the Department to solicit grant proposals and evaluate the proposals based on certain standards; establishing the Spay/Neuter Advisory Board; providing for the composition and the chair of the Advisory Board; requiring the Department to provide staff support for the Advisory Board; providing that a

EXPLANATION: **CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**
[Brackets**]** indicate matter deleted from existing law.

member of the Advisory Board may not receive compensation for service on the Advisory Board but is entitled to reimbursement for certain expenses; establishing the duties of the Advisory Board; authorizing the Department to use money in the Fund to finance certain public education and outreach programs; requiring the Department to adopt certain regulations; providing that the Fund is a special, nonlapsing fund; requiring the State Treasurer to hold the Fund separately and invest the money of the Fund; requiring the Comptroller to account for the Fund; requiring certain local agencies and organizations to report certain information to the Department in a certain manner at certain time intervals; requiring the Department to report certain information annually by a certain date to the Governor and the General Assembly; adding the Fund to the list of exceptions to the requirement that the earnings of special funds accrue to the General Fund; providing for the termination of this Act; defining certain terms; and generally relating to animal welfare and the establishment of the Spay/Neuter Fund.

BY adding to
Article – Agriculture
Section 2–303.1 and 6–107.4
Annotated Code of Maryland
(2007 Replacement Volume and 2012 Supplement)

BY repealing and reenacting, without amendments,
Article – Agriculture
Section 6–103 and 6–107
Annotated Code of Maryland
(2007 Replacement Volume and 2012 Supplement)

BY repealing and reenacting, without amendments,
Article – State Finance and Procurement
Section 6–226(a)(2)(i)
Annotated Code of Maryland
(2009 Replacement Volume and 2012 Supplement)

BY repealing and reenacting, with amendments,
Article – State Finance and Procurement
Section 6–226(a)(2)(ii)69. and 70.
Annotated Code of Maryland
(2009 Replacement Volume and 2012 Supplement)

BY adding to
Article – State Finance and Procurement
Section 6–226(a)(2)(ii)71.
Annotated Code of Maryland
(2009 Replacement Volume and 2012 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Agriculture

2–303.1.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) "ADVISORY BOARD" MEANS THE SPAY/NEUTER FUND ADVISORY BOARD ESTABLISHED UNDER THIS SECTION.

(3) "FUND" MEANS THE SPAY/NEUTER FUND.

(B) THERE IS A SPAY/NEUTER FUND IN THE DEPARTMENT.

(C) THE PURPOSE OF THE FUND IS TO REDUCE ANIMAL SHELTER OVERPOPULATION AND CAT AND DOG EUTHANASIA RATES BY:

(1) FINANCING A STATEWIDE VOUCHER PROGRAM TO FOSTER THE PROVISION OF SPAY AND NEUTER SERVICES FOR CATS AND DOGS IN THE STATE; AND

(2) FINANCING GRANTS TO LOCAL GOVERNMENTS AND ANIMAL WELFARE ORGANIZATIONS FOR PROGRAMS THAT MOST EFFICIENTLY AND EFFECTIVELY FACILITATE AND PROMOTE THE PROVISION OF SPAY AND NEUTER SERVICES FOR CATS AND DOGS IN THE STATE.

(D) THE DEPARTMENT SHALL ADMINISTER THE FUND.

(E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7–302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

(F) THE FUND CONSISTS OF:

(1) REVENUE DISTRIBUTED TO THE FUND FROM THE COMMERCIAL FEED REGISTRATION SURCHARGE ESTABLISHED UNDER § 6–107.4 OF THIS ARTICLE;

(2) REVENUE COLLECTED FROM COPAYMENTS UNDER THE VOUCHER PROGRAM ESTABLISHED UNDER THIS SECTION;

(3) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;

(4) ANY INVESTMENT EARNINGS OF THE FUND; AND

(5) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE BENEFIT OF THE FUND.

(G) (1) THE FUND MAY BE USED ONLY AS DESCRIBED IN THIS SUBSECTION.

(2) (I) THE FUND MAY BE USED TO ESTABLISH A STATEWIDE VOUCHER PROGRAM TO SUPPORT THE PROVISION OF SPAY/NEUTER SERVICES.

(II) TO BE ELIGIBLE FOR A VOUCHER, AN INDIVIDUAL MUST DEMONSTRATE THAT THE INDIVIDUAL RECEIVES BENEFITS UNDER ONE OF THE FOLLOWING FEDERAL OR STATE PUBLIC ASSISTANCE PROGRAMS:

1. THE TEMPORARY CASH ASSISTANCE PROGRAM;

2. THE FOOD SUPPLEMENTAL PROGRAM (FOOD STAMPS);

3. THE CHILD CARE SUBSIDY PROGRAM;

4. THE WOMEN, INFANTS, AND CHILDREN PROGRAM (WIC);

5. THE MARYLAND MEDICAL ASSISTANCE PROGRAM (MEDICAID);

6. THE RENTAL ALLOWANCE PROGRAM;

7. THE ELECTRIC UNIVERSAL SERVICE PROGRAM; OR

8. THE MARYLAND ENERGY ASSISTANCE PROGRAM.

(III) 1. THE DEPARTMENT SHALL NEGOTIATE WITH VETERINARIANS FOR THE PROVISION OF LOW COST SPAY AND NEUTER

1 SURGERIES AND, IF NECESSARY, RABIES SHOTS FOR A CAT OR DOG OWNED BY
2 AN ELIGIBLE INDIVIDUAL WHO PURCHASES A VOUCHER.

3 2. THE DEPARTMENT SHALL SET:

4 A. SEPARATE RATES FOR CATS AND DOGS;

5 B. VARIABLE RATES BASED ON AGE, WEIGHT,
6 GENDER, PREGNANCY, AND ILLNESS; AND

7 C. RATES FOR THE PROVISION OF A RABIES SHOT, IF
8 NECESSARY.

9 (IV) 1. THE DEPARTMENT SHALL ESTABLISH A NOMINAL
10 COPAYMENT THAT AN ELIGIBLE INDIVIDUAL IS REQUIRED TO PAY TO OBTAIN A
11 VOUCHER.

12 2. THE DEPARTMENT SHALL DEPOSIT ALL MONEY
13 RECEIVED FOR COPAYMENTS INTO THE FUND.

14 (V) 1. AN ELIGIBLE INDIVIDUAL MAY PURCHASE A
15 VOUCHER FROM THE DEPARTMENT BY SUBMITTING TO THE DEPARTMENT:

16 A. A COMPLETED APPLICATION ON A FORM
17 PRESCRIBED BY THE DEPARTMENT;

18 B. PROOF ACCEPTABLE TO THE DEPARTMENT THAT
19 THE INDIVIDUAL IS ELIGIBLE FOR A VOUCHER UNDER SUBPARAGRAPH (II) OF
20 THIS PARAGRAPH; AND

21 C. THE COPAYMENT.

22 2. THE DEPARTMENT SHALL PROVIDE AN ELIGIBLE
23 INDIVIDUAL WHO PURCHASES A VOUCHER WITH THE VOUCHER AND A LIST OF
24 PARTICIPATING VETERINARIANS IN THE STATE, BROKEN DOWN REGIONALLY.

25 3. AN ELIGIBLE INDIVIDUAL WHO PURCHASES A
26 VOUCHER MAY REDEEM THE VOUCHER FOR A FREE SPAY OR NEUTER SURGERY
27 AND, IF NECESSARY, A FREE RABIES SHOT FOR THE INDIVIDUAL'S CAT OR DOG
28 BY A PARTICIPATING VETERINARIAN.

4. THE PARTICIPATING VETERINARIAN MAY NOT BILL ANY ADDITIONAL CHARGES TO THE ELIGIBLE INDIVIDUAL IN RELATION TO THE SPAY OR NEUTER SURGERY OR RABIES SHOT.

(VI) 1. THE PARTICIPATING VETERINARIAN MAY SUBMIT THE REDEEMED VOUCHER TO THE DEPARTMENT FOR REIMBURSEMENT.

2. THE DEPARTMENT SHALL REIMBURSE A PARTICIPATING VETERINARIAN OUT OF THE FUND FOR EACH VOUCHER AT THE PREVIOUSLY NEGOTIATED RATE.

(VII) THE DEPARTMENT MAY USE MONEY IN THE FUND TO FINANCE PUBLIC EDUCATION AND OUTREACH EFFORTS WITH RESPECT TO THE VOUCHER PROGRAM.

(3) (I) THE FUND MAY BE USED TO FINANCE SELECTED COMPETITIVE GRANT PROPOSALS SUBMITTED BY A LOCAL GOVERNMENT OR AN ANIMAL WELFARE ORGANIZATION TO FACILITATE AND PROMOTE THE PROVISION OF SPAY AND NEUTER SERVICES FOR CATS AND DOGS.

(II) THE DEPARTMENT SHALL SOLICIT AND EVALUATE COMPETITIVE GRANT PROPOSALS.

(III) A COMPETITIVE GRANT PROPOSAL:

1. SHALL TARGET LOW–INCOME COMMUNITIES AND POPULATIONS TO THE MAXIMUM EXTENT POSSIBLE AND DETAIL HOW THAT GOAL IS TO BE ACCOMPLISHED;

2. MAY TARGET FERAL CAT POPULATIONS IF THE DEPARTMENT DETERMINES THAT THIS TARGETING DOES NOT VIOLATE LOCAL LAW;

3. SHALL EFFICIENTLY AND EFFECTIVELY FACILITATE AND PROMOTE THE PROVISION OF SPAY AND NEUTER SERVICES FOR CATS AND DOGS; AND

4. MAY INCLUDE PUBLIC EDUCATION AND OUTREACH COMPONENTS.

(IV) THE DEPARTMENT SHALL EVALUATE A COMPETITIVE GRANT PROPOSAL BASED ON:

1. THE STANDARDS ESTABLISHED UNDER SUBPARAGRAPH (III) OF THIS PARAGRAPH; AND

2. ANY ADDITIONAL STANDARDS THE DEPARTMENT ADOPTS BY REGULATION CONSISTENT WITH THIS SECTION.

(V) THE DEPARTMENT SHALL ADOPT REGULATIONS REQUIRING A GRANT RECIPIENT TO REPORT RELEVANT INFORMATION ON HOW THE GRANT WAS USED, INCLUDING DATA ON THE NUMBER AND TYPE OF SPAY OR NEUTER SURGERIES PERFORMED AND A DESCRIPTION OF ANY PUBLIC EDUCATION AND OUTREACH IMPLEMENTED.

(VI) THE DEPARTMENT MAY USE MONEY IN THE FUND TO FINANCE PUBLIC EDUCATION AND OUTREACH EFFORTS FOR THE COMPETITIVE GRANT PROGRAM.

(H) (1) THERE IS A SPAY/NEUTER ADVISORY BOARD.

(2) (I) THE ADVISORY BOARD CONSISTS OF SEVEN MEMBERS.

(II) THE MEMBERS SHALL BE REPRESENTATIVE OF ALL PHASES OF ANIMAL CONTROL AND ANIMAL WELFARE INTERESTS IN THE STATE.

(III) THE GOVERNOR, WITH THE ADVICE OF THE SECRETARY, SHALL APPOINT THE MEMBERS AND THE CHAIR OF THE ADVISORY BOARD.

(3) THE DEPARTMENT SHALL PROVIDE STAFF SUPPORT FOR THE ADVISORY BOARD.

(4) A MEMBER OF THE ADVISORY BOARD:

(I) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE ADVISORY BOARD; BUT

(II) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

(5) THE ADVISORY BOARD SHALL ADVISE THE DEPARTMENT WITH RESPECT TO:

(I) THE ADMINISTRATION OF THE FUND;

1 (II) ESTABLISHING APPROPRIATE REIMBURSEMENT RATES
2 FOR SPAY AND NEUTER SURGERIES AND RABIES SHOTS;

3 (III) ESTABLISHING APPROPRIATE NOMINAL COPAYMENTS
4 FOR VOUCHERS;

5 (IV) THE SOLICITATION AND EVALUATION OF COMPETITIVE
6 GRANT PROPOSALS;

7 (V) APPROPRIATE ADDITIONAL STANDARDS FOR GRANT
8 PROPOSALS;

9 (VI) ADDITIONAL RELEVANT DATA THAT THE DEPARTMENT
10 SHOULD REQUIRE FROM LOCAL ANIMAL SHELTERS AND APPROPRIATE ANIMAL
11 CONTROL ORGANIZATIONS;

12 (VII) THE ADOPTION OF REGULATIONS THAT IMPLEMENT
13 THIS SECTION; AND

14 (VIII) ANY OTHER APPROPRIATE MATTER WITH RESPECT TO
15 THE IMPLEMENTATION OF THE FUND IN THE DISCRETION OF THE
16 DEPARTMENT.

17 (I) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE
18 FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

19 (2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE PAID
20 INTO THE FUND.

21 (J) BEGINNING JANUARY 1, 2014, EACH COUNTY AND MUNICIPAL
22 ANIMAL CONTROL SHELTER AND EACH ORGANIZATION THAT CONTRACTS WITH
23 A COUNTY OR MUNICIPALITY FOR ANIMAL CONTROL SHALL REPORT TO THE
24 DEPARTMENT ON A FORM PRESCRIBED BY THE DEPARTMENT DESCRIBING FOR
25 THE PREVIOUS 3 MONTHS:

26 (1) THE NUMBER OF CATS AND DOGS TAKEN IN;

27 (2) THE NUMBER OF CATS AND DOGS DISPOSED OF, BROKEN
28 DOWN BY METHOD OF DISPOSAL, INCLUDING EUTHANASIA; AND

29 (3) ANY OTHER RELEVANT DATA THE DEPARTMENT REQUIRES.

1 **(K) BY AUGUST 31, 2014, AND EACH YEAR THEREAFTER, THE**
2 **DEPARTMENT SHALL SUBMIT A REPORT TO THE GOVERNOR AND, IN**
3 **ACCORDANCE WITH § 2–1246 OF THE STATE GOVERNMENT ARTICLE, THE**
4 **GENERAL ASSEMBLY THAT DESCRIBES THE ACTIVITIES FINANCED BY THE**
5 **FUND IN THE PREVIOUS FISCAL YEAR, INCLUDING:**

6 **(1) THE NUMBER OF VOUCHERS ISSUED AND USED;**

7 **(2) A DESCRIPTION OF ALL GRANT PROPOSALS SELECTED FOR**
8 **FUNDING AND GRANT PROGRAMS IMPLEMENTED;**

9 **(3) A STATEMENT OF THE NUMBER OF SPAY AND NEUTER**
10 **SURGERIES PERFORMED UNDER EACH GRANT PROPOSAL SELECTED;**

11 **(4) A DESCRIPTION OF AND ACCOUNTING FOR ANY PUBLIC**
12 **EDUCATION AND OUTREACH EFFORTS MADE FOR THE BENEFIT OF FUND**
13 **PROGRAMS; AND**

14 **(5) A SUMMARY OF THE INFORMATION REPORTED TO THE**
15 **DEPARTMENT BY LOCAL ANIMAL CONTROL SHELTERS AND ORGANIZATIONS**
16 **THAT CONTRACT WITH LOCAL GOVERNMENTS FOR ANIMAL CONTROL UNDER**
17 **SUBSECTION (J) OF THIS SECTION.**

18 **(L) THE DEPARTMENT MAY ADOPT REGULATIONS TO IMPLEMENT THIS**
19 **SECTION.**

20 6–103.

21 Registration fees constitute a special fund to be used only to defray partially the
22 cost of inspection, sampling, analysis, and other expenses necessary for administering
23 this subtitle. Notwithstanding any other provisions of this Code, any unexpended
24 funds up to a maximum of $100,000 may not revert to the General Fund of the State
25 at the end of the fiscal year.

26 6–107.

27 (a) Except as provided in subsection (e) of this section, a distributor shall
28 register each brand name or product name of commercial feed before distributing it in
29 the State. Customer–formula feeds and contract feeds are exempt from registration if
30 the registration fee is paid on the commercial feeds which they contain.

31 (b) The registration application for commercial feeds shall be submitted on
32 forms furnished by the Secretary, and shall also be accompanied by a label or other
33 printed matter describing the product if requested by the Secretary. The application
34 shall include the information required by §§ 6–109, 6–110, and 6–111 of this subtitle.

When the Secretary has approved the registration, he shall furnish a copy to the applicant.

(c) The annual registration fee for each commercial feed distributed in the State is $50. Customer–formula feeds and contract feeds are exempt if the registration fee is paid on the commercial feeds which they contain.

(d) Each registration expires April 30 each year.

(e) Provided the product label has not been altered or changed, a distributor may not be required to register any brand of commercial feed which has been registered under this subtitle by another person.

6–107.4.

(A) THE SECRETARY SHALL ESTABLISH A SURCHARGE OF $100 ON EACH COMMERCIAL FEED REGISTERED IN THE STATE UNDER § 6–107 OF THIS SUBTITLE.

(B) THE SURCHARGE SHALL BE PAID BY THE PERSON REGISTERING THE COMMERCIAL FEED ACCORDING TO THE COLLECTION AND REPORTING GUIDELINES ESTABLISHED BY THE DEPARTMENT BY REGULATION.

(C) ANY SURCHARGES COLLECTED UNDER THIS SECTION SHALL BE PAID INTO THE SPAY/NEUTER FUND ESTABLISHED UNDER § 2–303.1 OF THIS ARTICLE.

Article – State Finance and Procurement

6–226.

(a) (2) (i) Notwithstanding any other provision of law, and unless inconsistent with a federal law, grant agreement, or other federal requirement or with the terms of a gift or settlement agreement, net interest on all State money allocated by the State Treasurer under this section to special funds or accounts, and otherwise entitled to receive interest earnings, as accounted for by the Comptroller, shall accrue to the General Fund of the State.

(ii) The provisions of subparagraph (i) of this paragraph do not apply to the following funds:

69. the Maryland Legal Services Corporation Fund; **[**and**]**

70. Mortgage Loan Servicing Practices Settlement Fund**; AND**

1 **71. THE SPAY/NEUTER FUND.**

2 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
3 October 1, 2013. It shall remain effective for a period 6 years and, at the end of
4 September 30, 2019, with no further action required by the General Assembly, this Act
5 shall be abrogated and of no further force and effect.

From the Save Maryland Pets website.

Frequently Asked Questions about the Maryland spay/neuter program

Q. Is this a real problem in Maryland?

A. It's an urgent problem when 96,000 cats, kittens, puppies, and dogs are taken in by Maryland's animal shelters every year and half of those are euthanized. A spay/neuter program will control and reduce the homeless pet population, reduce the need to destroy so many pets, and reduce this taxpayer cost.

Q. What is the cost to taxpayers?

A. Maryland taxpayers are currently paying $8 to 9 million dollars every year to shelter and euthanize unwanted homeless pets. We are all paying for the neglect and irresponsibility of some pet owners.

Q. Will this program cost taxpayers more than they are already paying?

A. No. Subsidized state spay/neuter programs are proven to reduce shelter intake and euthanasia rates and to reduce the costs associated with unwanted homeless pets.

Q. How do we know the proposed Maryland program will reduce the Maryland euthanasia rate and associated costs?

A. The proposed Maryland program is modeled on the best and most successful programs in the nation, including the New Jersey and New Hampshire programs. The NJ and NH programs have witnessed a 61% and 77% decrease respectively in euthanasia rates after implementation of state programs. Costs savings seen were approximately $3 for every $1 invested in the programs.

Q. I heard my taxes will go up on pet food, is that true?

A. No. The Maryland program is based on a surcharge collected at the manufacturer level on an already existing registration fee. Pet food registration fees exist in every state in amounts that vary, state to state. It will not impact your taxes when you buy pet food.

Q. Won't the manufacturer just pass that on by raising the cost of my pet food in Maryland?

A. It is possible, but unlikely. The pet food industry in the United States is a $20 Billion dollar industry with good projections for continued growth and profit. If the pet food industry were to segregate Maryland from the rest of its U.S. sales and pass this on to Maryland consumers, the estimated trickle-down effect would be about 23 cents a year per cat and 48 cents a year per dog. That's a lot less than we're currently spending on intake and euthanasia of unwanted homeless pets.

Q. How much do Marylanders spend on pet food?

A. Marylanders spend about $350 million dollars on pet food for their cats and dogs.

Q. Does spay/neuter really work?

A. Subsidized state spay/neuter programs are the most humane and cost-effective solution to this problem. These programs have a proven record of success in several states, with shelter populations and euthanasia rates dropping by double digits after the states adopted well-funded and well-planned programs like the one proposed in Maryland. The Maryland program is modeled on the most successful programs in the nation.

Q. Shouldn't spay/neuter be voluntary and not mandated by the government?

A. It is! The Maryland program is a voluntary spay/neuter program.

Q. Can't the government just prohibit people from breeding cats and dogs?

A. For the same reason people don't want the government to make it mandatory to spay/neuter pets, people don't want the government to make breeding pets illegal.

Q. Why doesn't the government just prohibit people from having cats and dogs if they won't or can't spay/neuter their pets?

A. For the same reason people don't want the government to make breeding illegal, people don't want the government to make having a pet illegal.

Q. Can't the government just make people adopt the cats and dogs in the shelters first if they want a new pet?

A. For the same reason people don't want the government to make breeding or having a pet illegal, they don't want the government telling them where to get their next family pet.

Q. Isn't there a better solution?

A. Yes! The better solution has been recommended by the Maryland Spay/Neuter Task Force! Establishing a low-cost spay/neuter program will reduce Maryland's euthanasia rate and save money. It is the most humane and cost-effective solution to this problem. That's why so many other states already have a state spay/neuter program, and why so many other states have already started saving lives and saving money! It's time for Maryland to pass a spay/neuter bill and start saving lives and money in Maryland.