

Approved March 5, 1992
Date

MINUTES OF THE SENATE COMMITTEE ON AGRICULTURE

The meeting was called to order by Sen. Don Montgomery at
Chairperson

10:00 a.m./~~p.m.~~ on March 4, 1992 in room 423-S of the Capitol.

All members were present except:

Sen. McClure

Committee staff present:

Raney Gilliland, Legislative Research
Jill Wolters, Revisor of Statutes
Shirley Higgins, Committee Secretary

Conferees appearing before the committee:

Eileen McClintock, Topeka Kennel Club
Dr. Daniel Walker, Commissioner, Kansas Animal Health Department
Margaret Kerr, Kerr Kennels
Arnold Gideon, Paxico Kennel Owner
Connie Norris, Kansas Kennel Club
Jackie Young, Salina Kennel Club and Kansas Kennel Club Association
Marsha Gitelman, Helping Hands Humane Society
Pat Deshler, Wichita Kennel Club

The chairman informed the committee that possibly SB 680 and SB 719, both dealing with quarantines, could be amended together and will be discussed by the committee on Friday.

SB 752 - Concerning animals; amendments to the Kansas Animal Dealer Act.

Eileen McClintock, Topeka Kennel Club, testified in opposition to SB 752. She had three areas of concern. The first was the licensing requirement if three intact female dogs are owned. Those who breed dogs for show purposes would have three or more productive females but not for the same purposes as a dog breeder, therefore, they should not be licensed the same. Her second objection is the double licensure requirement which she feels should be clarified. The final objection was that the Animal Advisory Board in the bill does not have any representation from those who raise show dogs. The chairman asked that she submit written testimony at a later date.

Dr. Daniel Walker, Commissioner, Kansas Animal Health Department, gave an explanation of the bill. (Attachment 1).

Dr. Walker clarified for the chairman that if a person who raises animals at his place of residence and sells them there, he would not be considered as a pet shop. The chairman asked if a license would be required if three producing females are owned. Dr. Walker said a license would be required only if the offspring is sold. He added that clarification is necessary in the bill in regard to defining "animal dealer" by naming how many sales make the requirement that a license be purchased. He also noted that the government cannot distinguish show dogs from those raised only to be sold. Dr. Walker agreed with the chairman's statement that greyhounds have been exempted in this manner.

Margaret Kerr, Kerr Kennels, testified in opposition to the bill but offered an amendment if the committee chooses to pass the bill favorably. (Attachment 2).

Arnold Gideon, a kennel owner from Paxico, testified in opposition to the bill and offered an amendment regarding fees. (Attachment 3).

Connie Norris, Kansas Kennel Club, testified in objection to the bill because it lumps show breeders with commercial breeders and requires the same licensing. (Attachment 4). The licensure requirement could prevent her

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON AGRICULTURE

room 423-S, Statehouse, at 10:00 a.m./~~p.m.~~ on March 4, 1992.

from continuing her hobby of raising show dogs.

Jackie Young, Salina Kennel Club and Kansas Kennel Club Association, testified in objection to the licensure fees which put a restriction on hobby breeders. She informed the committee that dog shows bring in a large amount of revenue for Kansas, approximately \$60 million annually. The 1991 Wheatland Show in Salina brought in \$250,000 to \$300,000. There are 18 show clubs in Kansas which generate income for Kansas. She feels hobby breeders are unfairly restricted since they breed dogs to upgrade only, not as commercial sellers. Hobby breeders sell their extra dogs only to individuals and because they cannot keep a large litter of dogs. She feels the provisions of the bill would put hobby breeders out of business.

Marsha Gitelman, Helping Hands Humane Society, testified in opposition to the exorbitant new ceiling on license fees in the bill. (Attachment 5).

Pat Deshler, Wichita Kennel Club, gave final testimony with suggested amendments. She objects to the ownership of three or more bitches as a basis for licensure fees and that greyhounds are exempted. Also, she stated that the Animal Advisory Committee should have a representative from the show dog breeders.

Dr. Walker stood to respond to concerns expressed. He said the problem with ownership of three intact female dogs could be solved with amending the bill to change the limit of dogs sold to twenty. He had a similar bill last year and has no problem with this.

The chairman asked Dr. Walker how the cleanliness requirements for inspection could be met by the show dog breeders who keep the dogs in their homes. Dr. Walker said the primary enclosure refers to pens and would not be applied to personal living quarters.

The chairman asked Dr. Walker to explain the reasoning for tripling the licensing fee. Dr. Walker answered that he was directed to meet a \$190,000 budget, therefore, he had to do this to generate the funds needed.

The chairman asked Dr. Walker's opinion as to the existing House bill that would put a tax on dog food; would it remove the need for the increased licensing fee? Dr. Walker said it would, however, it was necessary to present the legislation in SB 752 to insure 100% funding, as directed, should the dog food tax not pass.

Sen. Lee had questions regarding the bill that would require a tax on dog food. Dr. Walker said the tax would apply to everyone and would be on dog food in ten pounds or over. Larry Woodward, Department of Agriculture, explained further that the tax would not apply to small packages of dry dog food or canned food.

The chairman asked Dr. Walker if he supports double licensure for breeders and retailers. Dr. Walker referred to his written testimony where it was suggested that the bill be amended on page 3, line 27, by omitting "other than dogs or cats" which should address the concerns expressed by conferees.

The chairman suggested a fairness program for licensing fees to Dr. Walker. Dr. Walker said he would work on this with the help of Captain Jack Jones who heads the Companion Animal Act with the agency.

Mrs. Kerr stood to state that she does not want fees raised as high or double licensing as supported by Dr. Walker.

Sen. Brady had questions for Mrs. Kerr regarding the licensing procedure. She answered that she has two facilities on one piece of property, but under the bill would be subject to two licensures. She would prefer that the state require one license as does the federal government.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON AGRICULTURE,
room 423-S, Statehouse, at 10:00 a.m.~~p.m.~~ on March 4, 1922.

Sen. Lee questioned Mrs. Kerr regarding funding the inspection process. Mrs. Kerr felt that Mr. Gideon's suggested amendment would catch the bigger brokers rather than putting a hardship on the small broker-breeder operations such as hers.

Jackie Young suggested that a better way to raise funds for inspection would be to require a health certificate with a 50¢ fee for every puppy sold. Dr. Walker said this would not generate enough revenue.

There being no further time, the chairman continued the discussion to a later date.

The minutes of March 3 were approved.

The meeting was adjourned at 11:00 a.m.



STATE OF KANSAS
Animal Health Department

Testimony Re: SB752
Senate Committee on Agriculture
Senator Dan Montgomery - Chairperson
March 4, 1992

Re: COMPANION ANIMAL FACILITIES INSPECTION PROGRAM
SB752 Inacts the following:

- 1.) "Separates" current animal dealers license group into 2 distinct licenses for 2 very distinct and different businesses, those being animal breeders and animal brokers.

Animal breeders would be those in which more than 3 breeding females are maintained and their puppies or kittens are sold. Animal breeders would not be animal retailers if all animals are produced on the premises where raised.

- 2.) Animal brokers would be those that purchase and re-sell at wholesale puppies and kittens. The category "pet shop" would be renamed "animal retailer". Animal retailers would be those that sell animals not produced on the premises at retail.

Currently in Kansas the individual that produces animals at their home and sells them to the public is defined and licensed as a pet shop.

- 3.) SB752 eliminates the registration category "hobby kennel operator". This category registers people who sell all or part of 3, 4 or 5 litters of puppies or kittens in a registration year. The Animal Health Department inspects those facilities only upon complaint. This category has proven to be a major problem in our enforcement/compliance efforts. People currently in this category would become animal breeders.

- 4.) SB752 expands the Animal Health Department's authority in regards to the licensing and defines what are called "no kill animal shelters". Increasing numbers of cases nationwide of animals being maintained in deplorable conditions by groups opposed to humane euthanasia have been reported. The agency estimates the number of these facilities in the state to be low.

- 5.) Currently the agency has 10 licensed private corporate research facilities in the state. All are licensed and inspected by the USDA. Most are certified by the American Association for the Accreditation of Laboratory Animal Care with standards for animal care and housing far exceeding state or federal standards.

- 6.) SB752 would allow for AAALAC certified research facilities to be inspected upon complaint only. Expands authority to adopt USDA regulations for Kansas animal breeders and brokers to include sections on record keeping, veterinarian care and identification of animals.

- 7.) Increases ceilings to allow for increases in state licensing fees for facilities licensed by the USDA from \$150.00 to \$750.00 and for facilities not licensed by the USDA to \$850.00 based on agency calculations to operate at 5 FTE's (3 inspectors, office assistant III and a program director) on a budget of \$187,500 with 100% fee funding.

Actual fees would be established by rules and regulations to provide program funding. (Please see attachments).

- 8.) Establishes a time (60 days) in which failure to renew a license results in that license being non-renewable. To receive a license for any premises, the operator must reapply and be inspected prior to licensing.

- 9.) SB752 makes the appropriate changes to the makeup of the Companion Animal Advisory Board.

- 10.) SB752 changes the Animal Health Department's title to Animal Health Commissioner.

Regarding regulation of exotic animals, SB752 would change the definition of exotic animals to one established by rules and regulations.

SUMMARY

The agency has assumed that 50% of the currently registered hobby kennel operators will become animal breeders, that increasing program effectiveness will increase compliance and that recent industry shrinkage will level out.

The agency requests no additional FTE's for Fiscal Year 1993.

The agency includes two recommendations for corrections to SB752. Page 1, line 36 should read "where animals are purchased and resold or offered or maintained for resale at wholesale to another".

Page 3, line 27 should have the words "other than dogs or cats" omitted.

I offer these amendments for your consideration.

Respectfully Submitted,



R. Daniel Walker, DVM
Commissioner
Kansas Animal Health Department

APPLICATIONS AND RENEWALS

FACILITY	FY1992	FY1991	FY1990
A DEALERS	451	535	553
HOBBY KENNEL	194	310	327
PET SHOPS	112	109	121
POUNDS\SHelters	92	23	22
RESEARCH FACILITIES	10	10	10
BOARDING\TRAINING	36	0	0

LICENSE AND REGISTRATION STATUS AS OF JANUARY 21, 1992

FISCAL YEAR 1992

FACILITY	APPLICATIONS AND RENEWALS	FEEES GENERATED
A DEALERS	444 @ \$ 150.00	\$ 66,600.00
HOBBY KENNEL	194 @ \$ 75.00	\$ 14,550.00
NFL DEALERS	7 @ \$ 300.00	\$ 2,100.00
PET SHOPS	105 @ \$ 300.00 7 @ \$ 150.00	\$ 31,500.00 \$ 1,050.00
POUNDS/SHELTERS	92 @ \$ 200.00	\$ 18,400.00
RESEARCH FACILITIES	10 @ \$ 150.00	\$ 1,500.00
BOARDING/TRAINING	36 @ \$ 75.00	\$ 2,700.00
		<u>\$ 138,400.00</u>

ANIMAL BREEDERS- LICENSE YEAR 1991

NUMBER OF PUPPIES/ KITTENS SOLD	NUMBER OF BREEDERS
0- 50	- 217
51-100	- 109
101-150	- 53
151-200	- 21
201-250	- 15
251-300	- 7
301-350	- 1
351-400	- 6
401-450	- 1
451-500	- 2
600	- 1
602	- 1
1586	- 1

	435 Total

PROPOSED LICENSE FEE SCHEDULE FOR ANIMAL BREEDERS

PUPPIES/ KITTENS SOLD	LICENSE FEE WITH USDA	W/O USDA
0-50	217 @ \$175. = \$37,975.	@ \$275. = \$
51-100	109 @ \$275. = \$29,975.	@ \$375. = \$
101-150	53 @ \$325. = \$17,225.	@ \$425. = \$
151-200	21 @ \$375. = \$ 7,875.	@ \$475. = \$
201-250	15 @ \$425. = \$ 6,375.	@ \$525. = \$
251-300	7 @ \$475. = \$ 3,325.	@ \$575. = \$
301-350	1 @ \$525. = \$ 525.	@ \$625. = \$
351-400	6 @ \$575. = \$ 3,450.	@ \$675. = \$
401-450	1 @ \$675. = \$ 675.	@ \$775. = \$
>451	5 @ \$775. = \$ 3,875.	@ \$875. = \$
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	438	\$ 111,275.

ANIMAL BROKERS - PROPOSED LICENSE FEES

ANIMALS BROKERED	NO. OF BROKERS	LICENSE FEE	FEE FUNDS GENERATED
1- 999	3	@ \$200. =	\$ 600.
1000-2000	3	@ \$350. =	\$ 1,050.
2001-3000	4	@ \$450. =	\$ 1,800.
3001-4000	0	@ \$550. =	\$ 0.
4001-5000	0	@ \$650. =	\$ 0.
5001-	3	@ \$750. =	\$ 2,250.

			\$ 5,700.

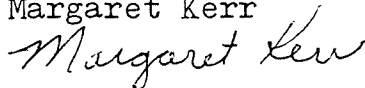
Concerning Senate Bill 752

March 4, 1992

The state has tried to double license kennel, animal breeders. When most of us are already double licensed, federal and state. We definitely do not need two state licenses. The reason some of us could not be dual licensed is because the ceiling was too low. The existing law says \$150 for premise. So when you are already paying \$150 they could not raise your fees, or double license. Now at \$775 the state could triple license one piece of property. If you are retailing a pup out the front door, you could be an animal retailer and an animal breeder, two licenses. A lot of times this occurs when breeders have a pup that a broker can not use. If it is a marketable product, they sell them reasonable or give them away. Some people are animal breeders, and also have a boarding kennel, on the same property. This would be two licenses again. As an industry we can not afford all these fees. I ask that you would amend this bill to read as follows:

If a person meets the licensing requirements for more than one class of license, he shall be required to obtain a license and pay the fee for the type business which is predominant for his premise, as determined by the commissioner. No person shall have more than one license.

Margaret Kerr



Companion Animal Advisory Board

Senate Agriculture

3-4-92

Attachment 2

TESTIMONY FOR SB 752

by Arnold Gideon

When SB 443 was approved, we supposedly produced 180,000 puppies per year. It is my understanding, last year we shipped from the state of Kansas 50,000 puppies.

Yesterday we heard testimony on HB 2836. The dog food industry was objecting to a 1/5 percent tax on their product to fund this bill. Attempts have been made to shuffle the funding of this bill to any location in sight. This bill was not funded when it was passed and is not fundable by the industry now. To generate \$300,000. annually would take \$6.00 per puppy produced annually, or equivalent to 6 percent of the gross production.

Intelligent breeders and brokers, alike, know the puppy bill is not industry fundable. Humane and welfare associations are using it as a money-making scam and for personal interest satisfaction.

I am recommending a very generous 1/2 percent plus tax on the gross industry production, which would be as follows:

Pg. 7 -- modify lines 22 through lines 40 to read as follows:

- (1) For a license for premises of a person licensed under public law 91-579 (7 U.S.C. & 2131 et seq.), an amount not to exceed \$150. plus 50 cents per animal handled or produced.
- (2) For a license for any other premises, an amount not to exceed \$25. plus 50 cents per animal handled or produced.
- (b) The commissioner shall determine annually the amount necessary to carry out and enforce K.S.A. 47-1701 et seq. and amendments thereto for the next ensuing fiscal year and shall fix by rules and regulations the license and registration fees for such year at the amount necessary for that purpose, subject to the limitations of this section. In fixing such fees, the commissioner shall establish a cents per head figure which must be the same for all categories of licenses. The commissioner may not assess more than one fee per premise. The fees in effect immediately prior to the effective date of this act shall continue in effect until different fees are fixed by the commissioner as provided by this subsection.

Senate Agriculture
3-4-92
Attachment 3

Show Dogs as a sport and a hobby. For the following reasons, I feel S.B. 752 may keep me and many others from pursuing this hobby.

This bill defines an Animal Breeder premise as any place that 3 or more intact bitches are kept & their offspring maintained or raised for sale. Since spayed bitches cannot be shown and most show breeders grow out multiple puppies to find the best show prospect, having 3 intact bitches is common. Eventually, show breeders will sell retired show dogs or dogs that don't turn out to be quite good enough to show. This occasional sale will also make us an Animal Retailer, which is defined as 'selling any dog or cat. Show breeders do not sell their dogs to gain a profit, yet either of these categories carries a license fee up to \$875.00

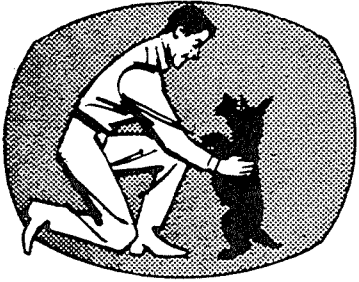
U.S.D.A.'s guideline of more than 3 bitches is aimed at the person who sells primarily wholesale, does not grow out young stock, and does indeed kennel all of their dogs. However, U.S.D.A. has no realistic provision for keeping house dogs or raising puppies in the house as most show people do. This bill would require anyone having an animal breeder premise to conform to U.S.D.A. rules and regulations. Most show breeders cannot afford to build a kennel building, conform to U.S.D.A. guidelines and pay \$875.00 fees to show dogs as a hobby.

All the way around, this bill lumps us with people who raise and sell puppies by the hundreds, purely for profit. Ethically, as a show breeder, I object to any commercial breeders. Therefore, I object to their attempt to license me as a commercial breeder so that I will pay fees 3-4-92 into a program designed to keep them in business. Attachment 4

Connie NORRIS

P.O. Box 443

HAYS KS 67601



Helping Hands Humane Society, Inc.

OFFICE AND ANIMAL SHELTER
2625 Rochester Road
Topeka, Kansas 66617
Telephone 233-7325

March 4, 1992

TO: Senator Montgomery and committee members

RE: SB 752

The present bill before you makes some radical changes in the amounts that would be charged to premises required to be licensed under state law. Raising the license fees from \$150.00 to \$775.00 for USDA licensed facilities, and from \$300.00 to \$875.00 for premises that are not federally licensed can only result in either a mass shut down of breeding operations in this state, or more likely most operations becoming illegal as they will be unwilling or unable to pay this fee. In addition, I know of no humane society that can afford to pay as much as \$875.00 for a state license. Charities such as these should not be charged the same rate as for-profit ventures such as the commercial breeding operations.

By allowing this exorbitant new ceiling on license fees to take effect, we would witness the opposite effect of what is probably intended in this bill. Rather than receiving more money as a result of higher fees, this program would most likely receive less money as the licensees refused to or were unable to produce the money. As a result, less money would mean that the state kennel inspection program would be even less effective as it is now. Please ammend this bill to maintain license fees at their current level. Thank you for your consideration in this matter.

Sincerely,

Marcia Gitelman

Marcia Gitelman
Assistant Executive Director

Senate Agriculture
3-4-92
Attachment 3