

Department of Legislative Services
Maryland General Assembly
2021 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 146

(Delegate Lehman, *et al.*)

Environment and Transportation

Education, Health, and Environmental Affairs

Department of Agriculture - Spay/Neuter Fund - Extension and Report

This bill extends the termination date for the Spay/Neuter Fund within the Maryland Department of Agriculture (MDA) by 10 years (from September 30, 2022, to September 30, 2032). By October 1, 2021, MDA must report to the General Assembly on the fund, including (1) spay and neuter programs that are not receiving funding from the fund; (2) the market capacity for increasing the fees assessed on each brand name or product name of commercial feed that are paid into the fund; and (3) a proposed fee structure that can be implemented over the next 5 to 10 years to enhance the revenue generated from the fees. **The bill takes effect June 1, 2021.**

Fiscal Summary

State Effect: Special fund revenues and expenditures continue until September 30, 2032, due to the extension of the termination date. The fund receives approximately \$966,000 annually in fee revenues, facilitating MDA grants for about 30 projects annually. MDA advises that it can complete the required report by October 1, 2021, with existing resources.

Local Effect: Local governments, as eligible grant recipients, continue to be eligible for grant funding for an additional 10 years.

Small Business Effect: Potential meaningful.

Analysis

Current Law: Chapters 561 and 562 of 2013, which established the Spay/Neuter Fund, terminate September 30, 2022. The fund has the purpose of reducing animal shelter

overpopulation and cat and dog euthanasia rates by financing grants to local governments and animal welfare organizations for programs that most efficiently facilitate and promote the provision of spay and neuter services for cats and dogs in the State. The fund receives revenue from a fee imposed on each registered brand name or product name of dog or cat food. The current fee, which will remain in effect until the fund's termination date, is \$100. Fees are paid by the person registering the pet food, in accordance with MDA guidelines.

Small Business Effect: Small businesses that register dog and cat food products will be required to pay fees for an additional 10 years. MDA advises that of the 224 current registrants, 111 register fewer than 10 products per year, potentially reflecting small businesses that may be affected by the continued fee.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Baltimore City; Montgomery County; Maryland Department of Agriculture; Department of Legislative Services

Fiscal Note History: First Reader - January 28, 2021
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