

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7634
BILL NUMBER: HB 1607

NOTE PREPARED: Jan 15, 2007
BILL AMENDED:

SUBJECT: Pet Dealers.

FIRST AUTHOR: Rep. Van Haafte
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides for the regulation of pet dealers by the State Board of Animal Health (SBAH). It creates the Pet Dealer Fund, and gives the SBAH the authority to set fees related to the licensure of pet dealers. The bill continually appropriates money in the fund.

The bill also establishes guidelines for the regulation of the sale of dogs. It makes it a deceptive sales practice for a pet dealer to sell a dog if the pet dealer has not followed the procedures established by the SBAH. It also gives the SBAH and the Division of Consumer Protection of the Office of the Attorney General authority to oversee the sale of dogs.

Effective Date: July 1, 2007.

Explanation of State Expenditures: The SBAH must adopt rules to regulate pet dealers that sell dogs. The SBAH may set fees by rules to cover the cost of regulating the dealers. Fees collected would be deposited in the Pet Dealer's Fund, which the SBAH would administer. Expenses of administering the fund must be paid from money in the fund. Money in the fund is continually appropriated to the SBAH for use in administering rules governing the regulation of pet dealers.

Forms: The Division of Consumer Protection must provide each pet dealer with certain forms.

Inspections: Copies of all forms must be kept readily available for inspection by an authorized representative of the Division of Consumer Protection. Confirmations of the consumer's selection of recourse must also be available for the Division's review.

Recourse: If a pet dealer wishes to contest the selection of recourse of the consumer, the pet dealer must notify the consumer, the Division, and the SBAH after the receipt of the veterinarian certification and the signed confirmation of selection of recourse form. Upon receipt of the certification from the veterinarian, the consumer may report the sickness or death of the dog and the name of the pet dealer from whom the dog was purchased to the Division and the SBAH. The consumer must provide a copy of the veterinarian certificate with any report. The Division and the SBAH must record and retain the records of any report and documentation submitted by a consumer. Not later than May 1 of each year, the SBAH must review any files it has and take appropriate action concerning the license of the pet dealer. The SBAH, the Division, or the SBAH and Division jointly may investigate and pursue enforcement against any pet dealer reported by a consumer to have violated pet regulations. Increased costs associated with the above provisions will depend on action taken by the SBAH and the Division.

Explanation of State Revenues: *Pet Dealer Fund:* The bill establishes the Pet Dealer Fund. The fund consists of fees collected by the SBAH, fines and settlements, and appropriations made by the General Assembly. The Treasurer of State must invest money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested. Interest that accrues from these investments must be deposited in the fund. Money in the fund at the end of a state fiscal year does not revert to the state General Fund.

The amount of revenue that will be deposited in the fund will depend on fees established by the SBAH and the number of pet dealers that purchase a license. There were approximately 166 pet stores in the state, but the number of dealers is not known at this time. If 166 pet dealers were required to pay a \$200 license fee, the SBAH could collect \$33,200. With respect to fines, a seller who has not met requirements established by the SBAH and who knowingly sells or resells an animal to a consumer may be charged with a deceptive act. A person who commits a deceptive act is subject to fines. The Attorney General has the exclusive right to petition for recovery of fines. Fines collected would be deposited in the Pet Dealer Fund. The amount of revenue that will be generated is indeterminable but not expected to be significant.

Return of Dog: If the consumer returns the dog due to poor health, disease, or death, the dealer must return any retail taxes paid. This provision is expected to be of minimal impact.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: SBAH; Consumer Protection Division of the Attorney General's Office.

Local Agencies Affected:

Information Sources:

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