

1320 Research Park Drive
Manhattan, Kansas 66502
(785) 564-6700



900 SW Jackson, Room 456
Topeka, Kansas 66612
(785) 296-3556

Jackie McClaskey, Secretary

Governor Sam Brownback

**Testimony on HB 2097 to
the House Agriculture Committee
by Dr. Bill Brown, Animal Health Commissioner
Kansas Department of Agriculture
January 30, 2017**

Good afternoon Chairman Hoffman and members of the committee. I am Dr. Bill Brown, Animal Health Commissioner at the Kansas Department of Agriculture. I am testifying in support of HB 2097 to update the Kansas Pet Animal Act.

The Animal Facilities Inspection (AFI) program is dedicated to supporting the companion animal industry in Kansas. The AFI program regulates pet animal facilities required to be licensed under the provisions of the Kansas Pet Animal Act. Currently, the Act requires licensing and inspection of several categories of facilities, including: dog and cat breeders who produce, offer or sell three or more litters during the state fiscal year; pounds and shelters; pet shops; research facilities; distributors; out-of-state distributors; boarding facilities; animal rescues; and foster homes. AFI program staff maintains licenses, health papers and correspondence pertaining to the program.

As of the beginning of January 2017, there are 924 active AFI licenses in Kansas and over 1800 registered pet animal foster homes. In fiscal year 2016, the program completed approximately 1000 inspections (in addition to more than 200 “no contact” attempted inspections) with a current passing rate of 92 percent.

In an effort to provide clarity and efficiency, HB 2097 would consolidate the number of license categories under the Kansas Pet Animal Act. First, an animal breeder premises would be any premises, whether licensed by the U.S. Department of Agriculture or not, where all or part of three or more litters of dogs or cats (or both) or 30 or more dogs or cats (or both) are sold, offered or maintained for sale. Previously, separate license categories existed for retail breeders, hobby breeders, USDA-inspected breeders and non-USDA inspected breeders. This new streamlined license category will be simpler and less confusing with no negative impact on licensees.

In addition to breeders, license categories would also include animal shelters, boarding or training premises, pet shops, animal distributors, rescue networks, and pet animal foster homes.

In order to meet statutory obligations, HB 2097 would establish statutory fees for all license categories except for animal shelters, animal breeders and pet shops. These fees will not exceed an assigned fee in statute, and will be determined by subcategories to be set in regulation. This amended fee structure will enable the AFI program to continue providing critical services to the pet animal industry while reducing the program’s reliance on SGF dollars. AFI makes up approximately 16 percent of the Division of Animal Health budget and receives approximately 57 percent of the animal health state general fund (SGF) dollars. In comparison, animal disease control programs receive fee revenue that funds between 90 and 95 percent of its budget and the brands program receives fee revenue that funds 100 percent of its budget. AFI only funds 46 percent of its budget with fees.

Inspecting pet animal facilities to assure the health, safety and welfare of the animals is an important responsibility for the Kansas Department of Agriculture. Current statute states the Animal Health Commissioner or the Commissioner's authorized, trained representative may inspect licensed premises. In an effort to establish inspection frequency standards that are necessary yet fiscally achievable, HB 2097 would establish inspection frequency in regulation, which may take into account the performance history of a premises or the relative risk posed by such premises to the health, safety and well-being of the animals.

Currently, the AFI program licenses shelters and rescue networks by facility location and any pet adoption must be completed at the licensed facility. This causes unnecessary challenges for mobile adoption events. To solve the issue, HB 2097 would allow licensed shelters and rescue networks to host mobile adoption events.

Nearly 20 percent of pet animal facilities across the state of Kansas have chosen to obtain an additional license from USDA — along with their license from Kansas — in order for them to transport animals across state lines. It is important that KDA's AFI program continue to inspect these facilities in addition to the USDA inspection for several reasons. Kansas' Division of Animal Health is committed to responding to and controlling the spread of disease throughout the state, and has immediate access to resources for assisting facilities in an emergency. In addition, although USDA has the ability to fine and revoke licenses, they do not have the resources to manage the seizure of animals in a health, safety and welfare incident. Finally, in current law, KDA's AFI program inspects facilities which are also under USDA inspection; however, Kansas inspectors are limited in these inspections and do not have access to records or oversight on veterinary care issues. This limits Kansas inspectors' ability to ensure the health, safety and welfare of animals in these facilities.

The amendments offered today focus on the fees and the regulatory component of KDA's Division of Animal Health as we interact with pet animal facilities, and that is significant in carrying out our mission to protect animal health. Another important part of our mission is our service to these citizens whose businesses are valuable parts of their communities and of their local economies. Our interaction with the pet animal industry goes beyond licensure and enforcement, but extends to the work we do with breeders and facilities to strengthen them through education and outreach, providing them the tools they need to manage successful businesses.

The AFI program has worked to draft updates to the Pet Animal Act that we believe will help keep the Kansas pet animal industry in the forefront.

Thank you for the opportunity to speak with you today. I will stand for questions at the appropriate time.

Summary of License Fee Categories and Fees

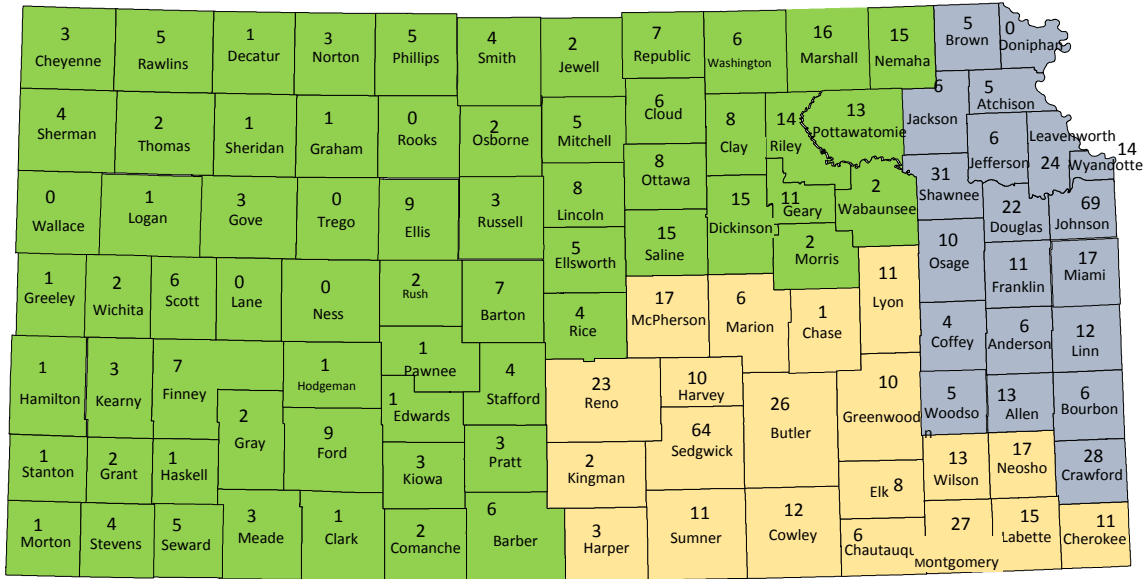
	2017		HB 2097
Number of License Categories	13*		10
License Category	Number of Licenses (to date)	Fee	Fee
Animal Breeders	315	\$95-405	\$250-450
Animal Distributors	4	\$200	\$400
Research Facilities	5	\$200	\$300
Pet Shops	95	\$405	\$600
Shelters	271	\$200- 300	\$350-550
Rescue Shelter Network Managers	64	\$50	\$125
Boarding/Training	161	\$95	\$200
Out-of-State Distributors	3	\$650	\$650
Temporary Pet Shops	6	\$75	\$200
Foster Homes	1800	\$10	\$30
Total Revenue **	\$215,600		\$391,950
Total Expenses	\$460,402		\$460,402
Net	\$(244,802)		\$(68,452)
Net with 25 % allotted SGF	\$(135,952)		\$40,398

**Currently, separate license categories exist for retail breeders, hobby breeders and USDA-inspected animal breeders. HB 2097 would consolidate those into one category: animal breeders.*

Animal Facilities Inspection

Adams: 282 premises
65 counties

Simon: 281 premises
20 counties

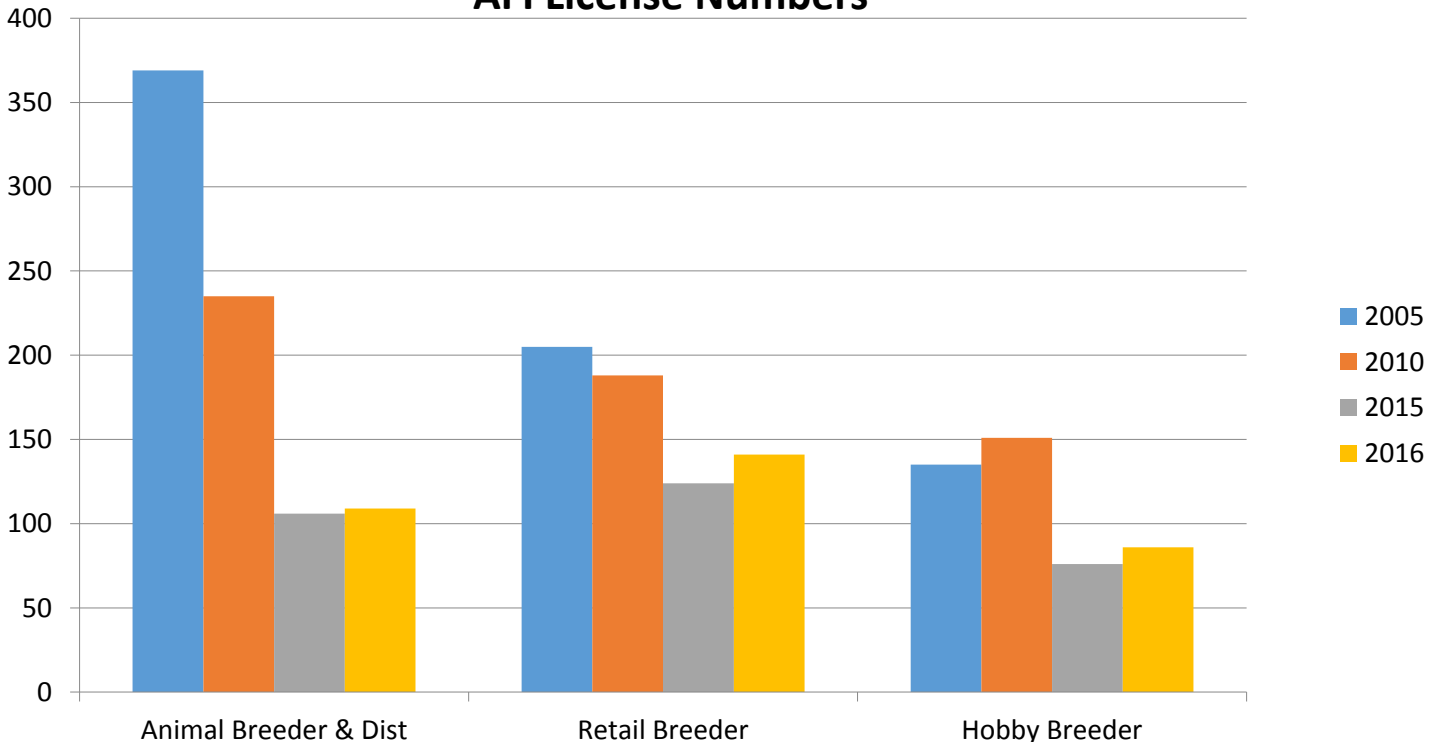


Green – Adams
Gray - Simon
Tan - Smyth

852 total premises
70 premises with two or more licenses
3 out-of-state distributors
925 total licensed facilities

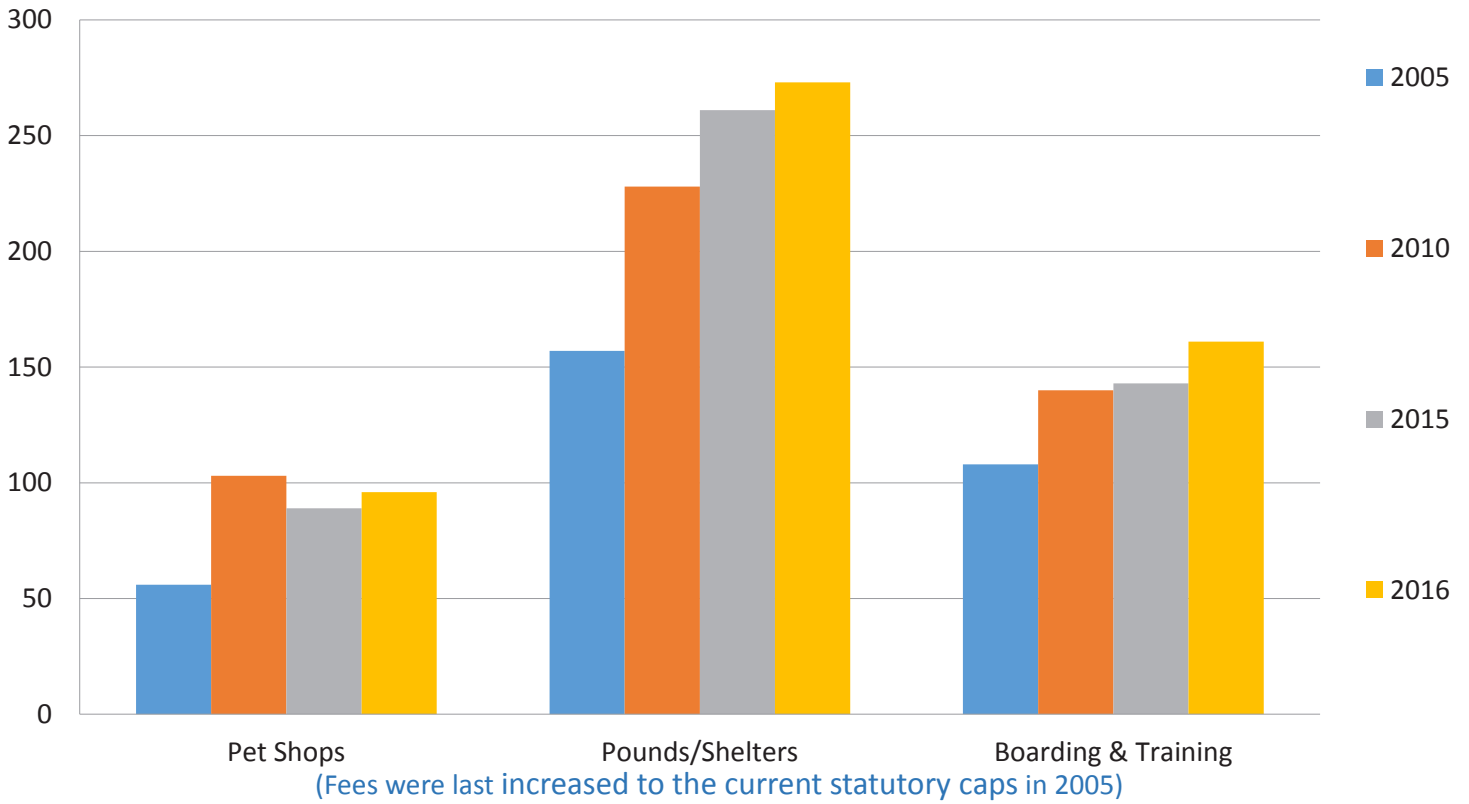
Smyth: 289 premises
20 counties

AFI License Numbers

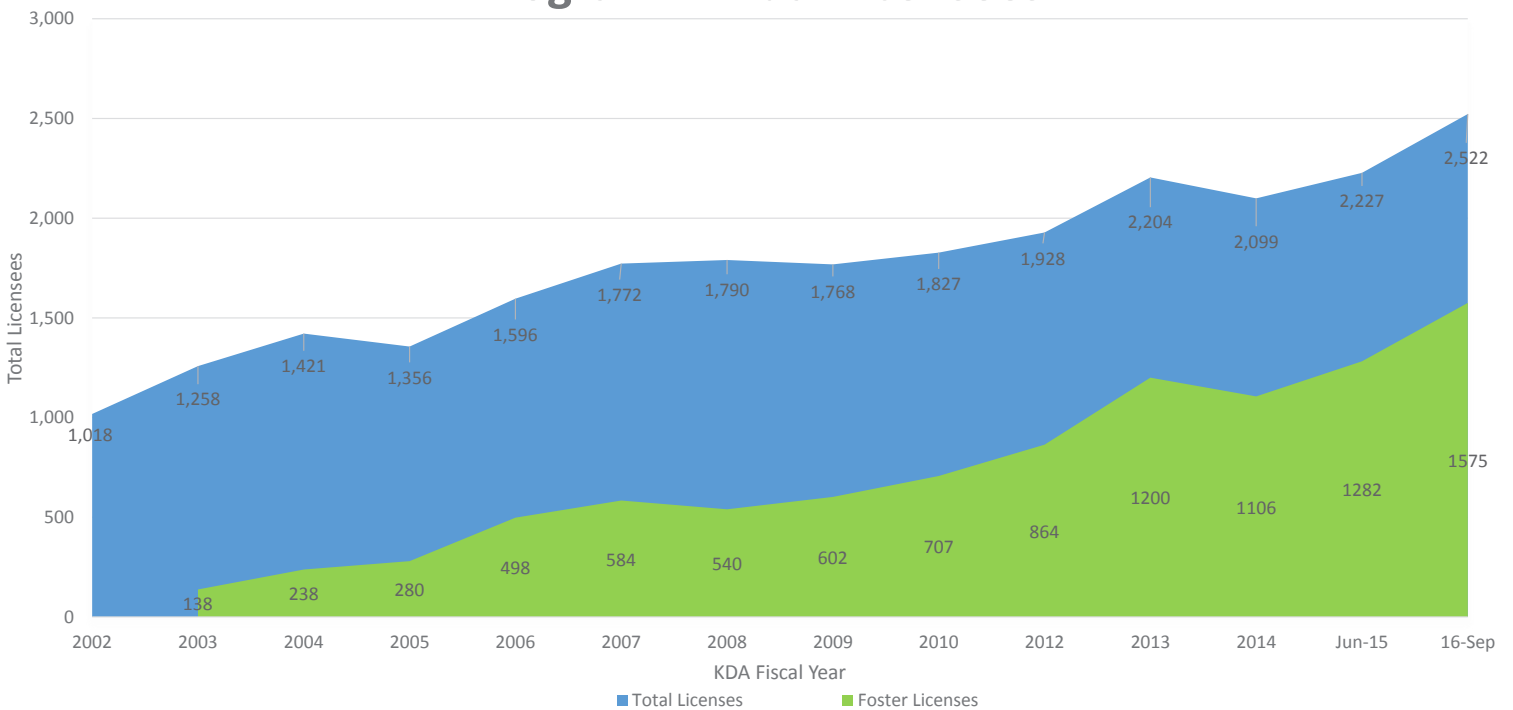


(Fees were last increased to the current statutory caps in 2005)

AFI License Numbers



Animal Facilities Inspection Program Annual Licensees



AMENDMENTS TO THE KANSAS PET ANIMAL ACT

The department seeks to make updates to the Animal Facilities Inspection program, including reducing licensee categories, adding a Pet Animal Advisory Board position representing rescue networks, adjusting fees to make the program self-sustaining, utilizing performance-based inspection schedules and allowing mobile adoption events.

HISTORY:

- In 1972, Kansas legislators signed into law the Animal Dealers Act. This act provided for licensing and inspection of all pet shops, and it required the pounds and animal shelters of first class cities (population greater than 15,000) to be registered and inspected by the Animal Facilities Inspection (AFI) program within the Kansas Animal Health Department.
- There were amendments to the Animal Dealers Act in 1988. These amendments expanded the regulatory authority of the Animal Dealers Act to inspect facilities of animal dealers (breeders and brokers of dogs and cats), pet shop operators, pounds and shelters, and private research facilities.
- USDA licensed breeders and distributors (required because of interstate movement) were also included in the Animal Dealers Act in 1988 with non-USDA breeders later added in 1991. The act was changed to the Kansas Pet Animal Act in 1996.
- The breeding industry worked with KAHD and legislators to create a program that is well regulated so that animals are raised in facilities which meet standard requirements.

PROPOSED AMENDMENTS:

- The proposed amendments include fee increases which are necessary to maintain the AFI program within the Kansas Department of Agriculture Division of Animal Health's (DAH) operating budget. DAH's three-year projected budget through fiscal year 2019 indicates a negative balance with the current fee structures.
 - The fees were last increased in an amendment to the Kansas Pet Animal Act in 2005.
 - The proposed amendments will allow the AFI program to continue its current level of regulatory oversight of animal breeding facilities, shelters, pet shops, rescues, and boarding and training facilities.
- The proposed amendments also include a plan to consolidate license categories, providing a new streamlined licensing process.
- Amendments will allow licensed shelters to host mobile adoption events away from their licensed premises. Existing statutes only allow adoptions to be completed on the premises of licensed facilities.
- Amendments will give inspectors the authority to examine records and require adequate veterinary care at all animal breeding and animal distributor facilities. Currently AFI inspectors do not have this authority at USDA-inspected facilities.
- Amendments will give the Kansas Animal Health Commissioner the ability to refuse, suspend, or revoke any license for a conviction under any federal law, city ordinance, or county resolution of cruelty to animals. Currently, the Commissioner only has the ability to refuse, suspend, or revoke under state cruelty laws.