

## CONCURRENCE IN SENATE AMENDMENTS

AB 2152 (Gloria and O'Donnell)

As Amended August 20, 2020

Majority vote

**SUMMARY:**

Prohibits a pet store from selling dogs, cats, or rabbits, but allows a pet store to provide space to display animals for adoption if the animals are displayed by either a shelter or animal rescue group, as defined, and establishes a fee limit, inclusive of the adoption fee, for animals adopted at a pet store.

**The Senate Amendments:**

- 1) Specifies the penalties for violating the bill's provisions. Specifically:
  - a) Each violation would result in a single written notice to the pet store and any public animal control agency, shelter, or animal rescue group responsible for the animal that is the subject of the violation. The notice would detail the specific violation, the name and location of the pet store, as well as the name, location, and any other identifying information regarding the entity responsible for the animal that is the subject of the violation. The notice shall include a direction to cease the specific activity found to be in violation and state the time period during which the violation must be corrected.
  - b) A failure to correct the violation described in the notice within the time period stated shall be punished by a civil penalty of \$1,000 for a first violation, \$2,500 for a second violation, and a \$5,000 for subsequent violations. Each animal that is displayed, sold, or offered for sale or adoption in violation of the bill's provisions would constitute a separate violation.
- 2) Defines an "animal rescue group" as any not-for-profit organization that has tax-exempt status under Section 501(c)(3) of the Internal Revenue Code, whose mission and practice is, in whole or significant part, the rescue and placement of animals into permanent homes, and that meets the following requirements:
  - a) Does not breed animals.
  - b) Does not obtain animals in exchange for payment or compensation from any person that breeds or brokers animals.
- 3) Clarifies that an animal rescue group is subject to the penalties enumerated above if it does not meet the bill's definition of an animal rescue group.
- 4) States that the pet store displaying dogs, cats, or rabbits shall not receive any fees in connection with the display of such animals.
- 5) Requires that the total adoption fee, limited to \$500, be posted and visible to the public on or near the enclosures or areas where adoptable animals are displayed.

**COMMENTS:**

*Puppy Mills.* The term "puppy mills" or "kitten factories" generally refer to commercial, high-volume breeding facilities that mass produce animals for retail sale. Although puppy mills are regulated at the federal level, several animal welfare groups argue that mills often rear animals in squalid and inhumane conditions, with certain facilities having long and documented histories of repeated violations of federal animal welfare law. As a result, puppies that are sourced from such mills and sold at a pet store are reported to have serious health or psychological problems, and can suffer from zoonotic diseases, congenital conditions, or even death.

*Prior pet store legislation.* In 2018, California enacted into law AB 485 (O'Donnell) Chapter 740, Statutes of 2017, which aimed to eliminate the sale of animals coming from puppy mills, by requiring commercial pet stores to exclusively sell dogs, cats, and rabbits that have been sourced from public animal control agency or shelter, animal rescue groups, and other specified organizations.

*Recent legal action.* Several lawsuits have been filed in California and Iowa against commercial breeders fraudulently registering as animal rescue non-profits, in order to skirt pet sale laws. These lawsuits allege that commercial breeders, or shell organizations linked to them, obtain nonprofit status with the Internal Revenue Service in order to disguise themselves as animal rescue groups. These groups can subsequently label puppies bred in animal mills as "rescues" for eventual sale at animal pet stores. This practice, coined by some as "puppy laundering," allows animal mills to circumvent local and state laws.

This bill aims to end the practice of circumventing state law through the use of illegitimate non-profit rescue groups to sell animals at pet stores. Under this bill, pet stores would be broadly prohibited from adopting out, selling, or offering for sale a dog, cat, or rabbit.

*Animal adoption.* Currently, some pet stores across California voluntarily open their facilities to allow other organizations to display animals for adoption. For instance, a pet store can agree to let an animal shelter use the pet store facility to host an adoption event. This would allow the animal shelter to have access to both a larger display space, and a broader range of customers that may be interested in adopting an animal. It is generally understood that all adoption fees are paid directly to the organization using the space, and not the pet store itself.

This bill intends to allow this existing practice to continue, with added limitations. The bill specifies that a pet store is prohibited from providing space to display dogs, cats, and rabbits, unless the animals are displayed by either a public animal control agency or shelter, or an animal rescue group.

**According to the Author:**

The *San Diego Humane Society* is the sponsor of this bill. According to the author, "In 2017, the legislature added Section 122354.5 to the Health and Safety Code to prohibit the sales of dogs, cats, and rabbits in retail stores, unless the animals were acquired from a shelter or rescue group that has a cooperative agreement with a shelter, humane society, or society of the prevention of cruelty to animals. This law went into effect on January 1, 2019. However, pet stores were unwilling to change their business model and instead worked to set up fake 501c(3)s that continue to get dogs from puppy mills and supply them to stores. According to the San Diego Humane Society, the animal care agency for 12 municipalities in San Diego County, three of the few remaining pet stores in California that still sell puppies are within their jurisdiction. Through

nearly a year of investigations and enforcement attempts, it has become clear that these retail store operators – in their zeal to continue profiting from the sale of animals – utilized the loophole in the law to get around the ban. Without strengthening the safeguards to prevent the exploitation of animals bred in deplorable conditions and imported for sale, California will continue to facilitate puppy mill cruelty."

**Arguments in Support:**

*The San Diego Humane Society* writes in support: "AB 2152 will provide necessary safeguards to cut off this deceptive puppy mill-to-pet store supply chain and end fraudulent puppy laundering practices. It cleanly bans the sale of dogs, cats and rabbits in pet stores, but allows for bona fide non-profit organizations and shelters to partner with retail shops to display adoptable animals."

*The Humane Society of the United States* writes in support: "Research conducted by HSUS found that close to half of the pet stores selling puppies prior to January 1, 2019 continued to sell commercially-raised puppies afterwards and were obtaining them from fake non-profits purporting to be rescues. [...] Due to these bad actors and the enforcement challenges agents throughout California are facing when attempting to crack down on these stores, we feel strongly that a legislative fix is needed."

*The Animal Legal Defense Fund* writes in support: "This technical fix bill will close the loophole for these unscrupulous profiteers while allowing for the remaining rescue groups who display their animals needing adoption to continue to operate lawfully in a retail setting and in the spirit of reducing the homeless pet population, as is the Governor's intent to become a no-kill state in the near future."

*Social Compassion in Legislation* writes in support: "AB 2152 is a simple solution which end the sale of dogs, cats, or rabbits sold in pet stores, while also allowing for the "humane" model, where retail pet stores lend their space to rescues in order to showcase their adoptable animals, to continue with several new parameters to ensure compliance with the spirit of AB 485."

*The California Animal Welfare Association* writes in support: "As our members bear the responsibility of enforcing animal welfare laws, protecting the animals in the face of loopholes in existing law has been resource-intensive and frustrating. We are pleased with AB 2152, as we feel it will effectively address the problem of puppy mill pet sales while allowing shelters and rescue organizations to partner with pet shops to facilitate the adoption of homeless animals."

*The Animal Society for the Prevention of Cruelty to Animals, The San Francisco SPCA, and Best Friends Animal Society* write in support: "AB 2152 would short circuit these fraudulent practices and prevent puppy laundering schemes [...] while allowing the many beneficial partnerships that exist between pet stores and bona fide rescue organizations to continue."

*The Companion Animal Protection Society* writes in support: "It is imperative that we close the loophole that is allowing pet shops to sell mill-bred puppies from fraudulent rescues – fronts for USDA-licensed dog brokers."

**Arguments in Opposition:**

None on file.

**FISCAL COMMENTS:**

This bill is keyed non-fiscal by the Legislative Counsel.

**VOTES:****ASM BUSINESS AND PROFESSIONS: 18-0-1**

**YES:** Low, Brough, Arambula, Bloom, Chen, Chiu, Cunningham, Fong, Gipson, Gloria, Grayson, Holden, Irwin, McCarty, Medina, Mullin, Obernolte, Ting

**ABS, ABST OR NV:** Eggman

**ASM APPROPRIATIONS: 17-0-1**

**YES:** Gonzalez, Bigelow, Bauer-Kahan, Bloom, Bonta, Calderon, Carrillo, Chau, Diep, Eggman, Fong, Gabriel, Eduardo Garcia, Petrie-Norris, McCarty, Robert Rivas, Voepel

**ABS, ABST OR NV:** Megan Dahle

**ASSEMBLY FLOOR: 75-0-4**

**YES:** Aguiar-Curry, Arambula, Bauer-Kahan, Berman, Bigelow, Bloom, Boerner Horvath, Bonta, Brough, Burke, Calderon, Carrillo, Cervantes, Chau, Chen, Chiu, Chu, Cooley, Cunningham, Megan Dahle, Daly, Diep, Eggman, Flora, Fong, Frazier, Friedman, Gabriel, Gallagher, Cristina Garcia, Eduardo Garcia, Gipson, Gloria, Gonzalez, Gray, Grayson, Holden, Irwin, Jones-Sawyer, Kalra, Kamlager, Lackey, Levine, Limón, Low, Maienschein, Mathis, Mayes, McCarty, Medina, Mullin, Muratsuchi, Nazarian, O'Donnell, Obernolte, Patterson, Petrie-Norris, Quirk-Silva, Ramos, Reyes, Luz Rivas, Robert Rivas, Rodriguez, Blanca Rubio, Salas, Santiago, Smith, Mark Stone, Ting, Voepel, Waldron, Weber, Wicks, Wood, Rendon

**ABS, ABST OR NV:** Choi, Cooper, Kiley, Quirk

**SENATE FLOOR: 30-0-10**

**YES:** Allen, Archuleta, Atkins, Beall, Bradford, Caballero, Dodd, Durazo, Galgiani, Glazer, Lena Gonzalez, Hertzberg, Hill, Hueso, Hurtado, Jackson, Leyva, McGuire, Mitchell, Monning, Nielsen, Pan, Portantino, Roth, Rubio, Skinner, Stern, Umberg, Wieckowski, Wiener

**ABS, ABST OR NV:** Bates, Borgeas, Chang, Dahle, Grove, Jones, Melendez, Moorlach, Morrell, Wilk

**UPDATED:**

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CONSULTANT: Patrick Le / B. & P. / (916) 319-3301

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