|  |  |
| --- | --- |
|  | **The Council of the City of New York**  **Finance Division**  **Latonia McKinney, Director**  **Fiscal Impact Statement**  **Proposed Intro. No.: 55-A**  **Committee: Health** |
| **title:** A local law to amend the administrative code of the city of New York, in relation to regulating pet shops. | **Sponsor(S):** Council Members Crowley, Johnson, Arroyo, Constantinides, Levine, Palma, Vacca, Koslowitz, Espinal, Rosenthal, Cornegy, Cabrera, Cumbo, Lancman, Mealy, Miller, Koo, Mendez, Levin, Richards, Rodriguez, Dickens, Torres, Lander, Weprin, Dromm, Van Bramer and Gentile |

**Summary of Legislation:**

Proposed Intro. No. 55-A would require that all pet shops to obtain a biennial operating permit from the Department of Health and Mental Hygiene (DOHMH). Pet shops operating without a permit or in violation of any of the provisions of the local law would be subject to seizure and forfeiture and a violation of the permit would be subject to a $500 penalty. A violation that affects more than one animal would be considered a separate violation with respect to each animal, and violations that continue for more than one day would be considered a separate violation for each day. This local law would also exempt a pet shop that allows an animal shelter or rescue to use the pet shop’s premises for making animals available for adoption from these provisions.

This legislation would also require that a pet shop obtain any dog or cat that it offers for sale directly from a breeder licensed by the United States Department of Agriculture (USDA). Further, this bill would prohibit pet shops from selling dogs and cats obtained from brokers, and rabbits from any source, as well as the sale of cats and dogs obtained from USDA licensed breeders that do not meet certain inspection standards. Animals offered for sale in violation of these restrictions would be subject to seizure and forfeiture.

In addition, this legislation would require pet shops to provide information to purchasers upon request regarding the most recent USDA inspection reports for the breeder of an animal and a written statement certifying information about the breeder, its USDA inspection history, the animal’s health and any medical treatment the animals has received. The legislation would require every pet shop to post signage that says, “Information on the source of these dogs and cats and the veterinary treatments received by these dogs and cats is available for review by prospective purchasers. United States Department of Agriculture inspection reports are available upon request.”

Lastly, the legislation would require pet shops to keep and maintain detailed records evincing the source and condition of every cat and dog purchased or offered for sale for ten years from the date such pet shop acquired the animal.

**Effective Date:** This local law would take effect June 1, 2015 provided, however, that sections 17-372 through 17-382 of Title 17 of the Administrative Code as added by section one of this bill would take effect on January 1, 2016, and except that the commissioner shall take such measures as are necessary for the implementation of this local law, including the promulgation of rules, prior to such effective dates.

**Fiscal Year In Which Full Fiscal Impact Anticipated:** Fiscal 2016

**Fiscal Impact Statement:**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Effective FY15** | **FY Succeeding**  **Effective FY16** | **Full Fiscal**  **Impact FY16** |
| **Revenues** | $0 | $0 | $0 |
| **Expenditures** | $0 | $400,000 | $400,000 |
| **Net** | $0 | ($400,000) | ($400,000) |

**Impact on Revenues:** While penalties are imposed under this legislation, the penalties are designed to ensure compliance, not generate revenue. Therefore it is anticipated that there will be no impact on revenues as a result of this legislation.

**Impact on Expenditures:**  Although a portion of this legislation would take effect in the last month of Fiscal Year 2015, it is estimated that the impact on expenditures would begin in Fiscal Year 2016. It is anticipated that this legislation would require $400,000 in the first year for start-up costs related to software that will prepare DOHMH to better maintain information in relation to pet shops and staffing to begin the permitting process for pet shops. Expenditures are expected to be approximately $300,000 in Fiscal 2017 and beyond in order for DOHMH to hire seven staff that will be tasked with permitting and inspections.

**Source of Funds To Cover Estimated Costs:** General Funds

**Source of Information:** New York City Council Finance Division

New York City Department of Health and Mental Hygiene

**Estimate Prepared By:**  Crilhien R. Francisco, Senior Legislative Financial Analyst

**Estimated Reviewed By:** Regina Poreda Ryan, Deputy Director, New York City Council Finance Division

Rebecca Chasan, Assistant Counsel, New York City Council Finance Division

**Legislative History:** Intro. No. 55 was introduced to the Council on February 26, 2014 and referred to the Committee on Health. The Committee on Health held a hearing on Intro. No. 55 on April 30, 2014 and the legislation was laid over. The legislation was subsequently amended and the amended legislation, Proposed Intro. No. 55-A, was heard by the Committee on Health on November 24, 2014. Proposed Intro. No. 55-A will be voted on by the Committee on Health on December 16, 2014. Upon successful vote by the Committee, Proposed Int. No. 55-A will be submitted to the full Council for a vote on December 17, 2014.

**Date prepared:** December 17, 2014