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**Testimony in Support of HB 2477 to  
The House Agriculture Committee  
By Josh Roe  
Kansas Department of Agriculture  
January 30, 2017**

Good afternoon Chairman Hoffman and members of the committee, my name is Josh Roe and I am a deputy secretary at the Kansas Department of Agriculture (KDA). I am here to testify in support of HB 2477 to update fees charged by the Animal Facilities Inspection (AFI) program within the Division of Animal Health at KDA.

The AFI program is dedicated to supporting the companion animal industry in Kansas by regulating pet animal facilities required to be licensed under the provisions of the Kansas Pet Animal Act. 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. The AFI program staff maintain licenses, health papers and correspondence pertaining to the program.

As of the beginning of 2018, there are 921 active AFI licenses in Kansas and 1,647 registered pet animal foster homes. In calendar year 2017, the program completed approximately 968 inspections with a current passing rate of 92 percent.

The first change that HB 2477 seeks to make is the license renewal deadline in statute. For many years, the due date for license renewal related to these sections has been set as September 30 by budget proviso language overriding the June 30 date set in statute. The agency would like to make September 30 the permanent renewal date and eliminate the need for ongoing budget proviso language.

The second change that HB 2477 seeks would be to establish statutory fees for all license categories other than for animal shelters, animal breeders and pet shops. In those cases, this bill sets a maximum fee and the program can create subcategories in rules and regulations. 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 state general fund (SGF) dollars.

The animal disease control program receives 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 currently funds 46 percent of its budget with fees; HB 2477 would increase that to 80 percent, making it consistent with other programs within the Division of Animal Health.

Approximately 14 percent of AFI resources are focused on inspections and complaints from unlicensed facilities. Therefore, HB 2477 would allow the AFI program to be 80 percent self-sustaining from fees, but

it does not make it so that fees generated from licensed facilities are subsidizing activities performed on behalf of non-licensed facilities.

An important part of the Division of Animal Health's mission is to serve citizens whose businesses are a valuable part of their communities and of their local economies. Our interaction with the pet animal industry goes beyond licensure and enforcement; it 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.

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

Category	Current Licenses	Current Fees	Current Fee Revenue	Proposed Fees	Proposed Fee Revenue
Hobby Breeder	87	\$95	\$8,265	\$250	\$21,750
Animal Breeder	78	\$200	\$15,600	\$450	\$35,100
Animal Breeder & Distributor	10	\$200	\$2,000	\$450	\$4,500
USDA Retail Breeder	34	\$200	\$6,800	\$450	\$15,300
Non-USDA Retail Breeder	102	\$405	\$41,310	\$450	\$45,900
Animal Distributor	5	\$200	\$1,000	\$400	\$2,000
Research Facility	5	\$200	\$1,000	\$300	\$1,500
Pet Shop	96	\$405	\$38,880	\$600	\$57,600
Shelter 1st Class City	45	\$300	\$13,500	\$550	\$24,750
Shelter 2nd Class City	57	\$250	\$14,250	\$450	\$25,650
Shelter 3rd Class City	170	\$200	\$34,000	\$350	\$59,500
Rescue Network	60	\$125	\$7,500	\$125	\$7,500
Boarding and Training	165	\$95	\$15,675	\$200	\$33,000
Out-of-State Distributor	4	\$650	\$2,600	\$650	\$2,600
Temp. Pet Shop	3	\$75	\$225	\$200	\$600
Foster Homes	1,647	\$10	\$16,470	\$30	\$49,410
<b>Total Fee Revenue</b>			<b>\$219,075</b>		<b>\$386,660</b>

Revenue Difference

**\$167,585**