

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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HOUSE BILL 159

Short Title: Regulate Commercial Dog Breeders. (Public)

Sponsors: Representatives Saine, McGrady, Catlin, and Harrison (Primary Sponsors).

For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.

Referred to: Judiciary II, if favorable, Finance.

March 5, 2015

A BILL TO BE ENTITLED

AN ACT TO TRANSFER THE ANIMAL WELFARE SECTION AND THE SPAY/NEUTER PROGRAM FROM THE DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES TO THE DEPARTMENT OF PUBLIC SAFETY, TO PROVIDE FOR THE REGULATION OF COMMERCIAL DOG BREEDERS UNDER THE ANIMAL WELFARE ACT, AND TO PROVIDE THAT THE AGRICULTURAL EXEMPTION TO THE SALES AND USE TAX DOES NOT APPLY TO COMMERCIAL BREEDING OPERATIONS.

The General Assembly of North Carolina enacts:

SECTION 1. The Animal Welfare Section and the Spay/Neuter Program, as established by Articles 3 and 5 of Chapter 19A of the General Statutes and other applicable laws of this State, are transferred to the Department of Public Safety. This transfer shall have all of the elements of a Type I transfer, as defined in G.S. 143A-6.

SECTION 2. G.S. 19A-21 reads as rewritten:

"§ 19A-21. Purposes.

The purposes of this Article are (i) to protect the owners of dogs and cats from the theft of such pets; (ii) to prevent the sale or use of stolen pets; (iii) to ~~insure~~ensure that animals, as items of commerce, are provided humane care and treatment by regulating the transportation, sale, commercial breeding, purchase, housing, care, handling and treatment of such animals by persons or organizations engaged in transporting, breeding, buying, or selling them for such use; (iv) to ~~insure~~ensure that animals confined in pet shops, kennels, animal ~~shelters~~shelters, commercial breeding operations, and auction markets are provided humane care and treatment; (v) to prohibit the sale, trade or adoption of those animals which show physical signs of infection, communicable disease, or congenital abnormalities, unless veterinary care is assured subsequent to sale, trade or adoption."

SECTION 3. G.S. 19A-22 reads as rewritten:

"§ 19A-22. Animal Welfare Section in ~~Animal Health Division of Department of Agriculture and Consumer Services~~Law Enforcement Division of the Department of Public Safety created; Director.

There is hereby created within the ~~Animal Health Division of the North Carolina Department of Agriculture and Consumer Services~~Law Enforcement Division of the Department of Public Safety, a new section thereof, to be known as the Animal Welfare Section of said division.

The ~~Commissioner of Agriculture~~Secretary of the Department of Public Safety is hereby authorized to appoint a Director of said section whose duties and authority shall be determined



1 by the ~~Commissioner~~ subject to the approval of the Board of Agriculture and subject to the
2 provisions of this Article. ~~Secretary.~~"

3 **SECTION 4.** G.S. 19A-23 reads as rewritten:

4 **"§ 19A-23. Definitions.**

5 For the purposes of this Article, the following terms, when used in the Article or the rules
6 or orders made pursuant thereto, shall be construed respectively to mean:

7 ...

8 (5d) "Commercial breeder" means any person who owns, has custody of, or
9 maintains 11 or more female dogs over the age of six months that are
10 capable of reproduction and are kept primarily for the purposes of breeding
11 and selling the offspring as pets. A person who keeps or breeds dogs
12 exclusively for the purpose of herding or guarding livestock or farm animals,
13 hunting, tracking, or exhibiting in dog shows, performance events, or field
14 and obedience trials is not a commercial breeder for purposes of this Article.

15 (5e) "Commercial breeding operation" means the physical location or facility at
16 which a commercial breeder breeds or maintains 11 or more female dogs
17 over the age of six months that are capable of reproduction for the purpose
18 of breeding and selling the offspring. Veterinary facilities and research
19 facilities having custody of female dogs for purposes other than breeding are
20 not commercial breeding operations for purposes of this Article.

21 (6) ~~"Commissioner" means the Commissioner of Agriculture of the State of~~
22 ~~North Carolina.~~

23 ...

24 (7a) "Department" means the Department of Public Safety.

25 (8) "Director" means the Director of the Animal Welfare Section of the Animal
26 Health Division of the Department of Agriculture and Consumer Services.
27 Law Enforcement Division of the Department of Public Safety. The Director
28 shall be a licensed veterinarian.

29 ...

30 (17) "Secretary" means the Secretary of the Department of Public Safety."

31 **SECTION 5.** G.S. 19A-24 reads as rewritten:

32 **"§ 19A-24. Powers of ~~Board of Agriculture~~ Department of Public Safety.**

33 (a) ~~The Board of Agriculture~~ Department of Public Safety shall:

34 (1) Establish standards for the care of animals at animal shelters, boarding
35 kennels, pet shops, commercial breeding operations, and public auctions. A
36 boarding kennel that offers dog day care services and has a ratio of dogs to
37 employees or supervisors, or both employees and supervisors, of not more
38 than 10 to one, shall not as to such services be subject to any regulations that
39 restrict the number of dogs that are permitted within any primary enclosure.

40 ...

41 (b) In addition to rules on the euthanasia of animals adopted pursuant to subdivision (5)
42 of subsection (a) of this section, the ~~Board of Agriculture~~ Department of Public Safety shall
43 adopt rules for the certification of euthanasia technicians. The rules may provide for:

44"

45 **SECTION 6.** G.S. 19A-25 reads as rewritten:

46 **"§ 19A-25. Employees; investigations; right of entry.**

47 For the enforcement of the provisions of this Article, the Director is authorized, subject to
48 the approval of the ~~Commissioner~~ Secretary to appoint employees as are necessary in order to
49 carry out and enforce the provisions of this Article, and to assign them interchangeably with
50 other employees of the Animal Health Division. The Director shall cause the investigation of
51 all reports of violations of the provisions of this Article, and the rules adopted pursuant to the

1 provisions hereof; provided further, that if any person shall deny the Director or his
2 representative admittance to his property, either person shall be entitled to secure from any
3 superior court judge a court order granting such admittance."

4 **SECTION 7.** Article 3 of Chapter 19A of the General Statutes is amended by
5 adding six new sections to read:

6 **"§ 19A-29.1. Registration required for commercial breeder; penalty; injunction.**

7 (a) No person shall operate as a commercial breeder unless a certificate of registration
8 for that commercial breeder has been granted by the Director. Registration shall be in the
9 manner provided by the Director and shall include, at a minimum:

10 (1) The name and location of the commercial breeding operation.

11 (2) The name and address of its principal agent.

12 (3) The date its operation began.

13 (4) The number of female dogs over the age of six months capable of
14 reproduction kept for the purpose of breeding and selling any offspring as
15 pets.

16 (5) The breed and age of each of those dogs.

17 (6) The number of dogs sold or transferred by the commercial breeder in the
18 previous fiscal year.

19 (7) The applicant's sales tax identification number issued by the North Carolina
20 Department of Revenue.

21 (8) Whether the applicant has been convicted of animal cruelty or neglect in
22 North Carolina or any other jurisdiction.

23 (9) Any other information regarding the applicant's facilities and operations as
24 requested by the Director.

25 If the applicant maintains more than one commercial breeding operation, a separate
26 certificate of registration shall be obtained for each premises. The Director shall not issue a
27 certificate of registration until the operation has been inspected by the Director or a duly
28 authorized representative of the Director and has been found to be in full compliance with this
29 Article. The Director or the Director's representative may inspect each commercial breeding
30 operation annually and shall inspect upon receipt of a complaint in order to ensure compliance
31 with this Article.

32 (b) The registration period shall be the fiscal year and the registration fee shall be two
33 hundred dollars (\$200.00) for each registration period or part of a registration period. The
34 Director shall maintain a list of commercial breeding operations containing all information
35 reported with the initial registration, including the date of that registration, and the dates and
36 information provided with all subsequent amendments and re-registrations.

37 (c) The Director shall make the list of commercial breeding operations available to the
38 public upon request. Publication of the list on the web site of the Department of Public Safety
39 shall satisfy this requirement.

40 (d) A person who acts as commercial breeder without first registering as required under
41 subsection (a) of this section is guilty of a Class 2 misdemeanor for a first offense and guilty of
42 a Class 1 misdemeanor for a second or subsequent offense.

43 (e) A commercial breeder who fails to register pursuant to this section shall be subject
44 to injunction pursuant to the provisions of G.S. 19A-3 and G.S. 19A-4.

45 **"§ 19A-29.2. Records to be maintained by commercial breeders.**

46 (a) A commercial breeder shall maintain records on all dogs in his or her custody
47 showing the following:

48 (1) The origin of all dogs, including names and addresses of consignors, and the
49 date each dog was received.

50 (2) A description of each dog, including species, age, sex, breed, and color
51 markings.

1 (3) The location of each dog not kept at the registered facility.

2 (4) The disposition of each dog, including the name and address of the person to
3 whom each dog is sold, traded, or adopted and the date of the transaction; in
4 the event of the death of a dog, the record shall show the date, signs of
5 illness, or cause of death if identified; if a dog is euthanized, the record shall
6 show date and type of euthanasia.

7 (5) A record of veterinary care including treatments, immunizations, and the
8 date, time, and description of all medication, including its name and dosage,
9 and the initials of the person administering any product or procedure.

10 (b) All commercial breeders shall make all required records available to the Director or
11 the Director's duly authorized representative, or to a local animal control agent on request,
12 during the business and cleaning hours listed on the registration. The operator shall be able to
13 match each animal to its record upon request. Records shall be maintained for a period of two
14 years after the dog is released.

15 **"§ 19A-29.3. Housing facility requirements for commercial breeders.**

16 (a) Housing facilities for dogs shall be structurally sound and maintained in good repair
17 to protect the dogs from injury, contain the animals, and restrict the entrance of other animals
18 and people.

19 (b) All light fixtures and electrical outlets in animal areas shall be in compliance with
20 the State Building Code.

21 (c) Facilities shall have reliable and safe electric power as necessary to comply with
22 this Article.

23 (d) Supplies of food and bedding shall be stored in facilities that adequately protect
24 those supplies against infestation or contamination by vermin and insects. All open bags of
25 food shall be stored in airtight containers with lids. Refrigeration shall be provided for supplies
26 of perishable food.

27 (e) Animal and food waste and debris shall be removed daily from the housing facility
28 in accordance with local ordinances, to assure that the facility will be maintained in a clean and
29 sanitary manner.

30 (f) Hot and cold running, potable water must be available. Facilities such as a
31 washroom, basin, or sink shall be provided to maintain cleanliness among animal caretakers
32 and animals, and in animal food and water receptacles.

33 (g) Each facility shall have the capability to confirm the temperature in which the
34 animals are housed. Indoor housing facilities for dogs shall be adequately heated and cooled
35 when necessary to protect the dogs from cold and excessive heat and provide for their health
36 and comfort. The ambient temperature shall not be allowed to fall below 50 degrees Fahrenheit
37 or exceed 85 degrees Fahrenheit when dogs are present.

38 (h) A separate perimeter fence is required, including unsupervised exercise areas.

39 (i) All areas of a facility are subject to review or inspection by the Director, the
40 Director's agents, and local animal control agents, during business hours.

41 (j) All animals in a facility are subject to the requirements of this Article regardless of
42 ownership.

43 (k) A registrant shall comply with all applicable federal, State, and local laws, rules,
44 and ordinances relating to or affecting the welfare of dogs in its facility.

45 (l) Indoor housing facilities for dogs shall be adequately ventilated to provide for the
46 health and comfort of the animals at all times. The facilities shall be provided with fresh air
47 either by means of windows, doors, vents, or air conditioning and shall be ventilated. Air flow
48 shall be adequate to minimize odors and moisture condensation.

49 (m) Indoor housing facilities for dogs shall have adequate illumination to permit routine
50 inspections, maintenance, cleaning, and housekeeping of the facility and observation of the

1 animals. Illumination shall provide regular diurnal lighting cycles of either natural or artificial
2 light.

3 (n) Interior building surfaces of indoor facilities with which animals come in contact
4 shall be constructed and maintained so that they are impervious to moisture, and can be readily
5 sanitized.

6 (o) A suitable method of drainage shall be provided to rapidly eliminate excess water
7 from an indoor housing facility. If closed drain systems are used, they shall be equipped with
8 traps and installed to prevent odors and backup of sewage. The drainage system shall be
9 constructed to prevent cross-contamination among animals. Drains shall be constructed in such
10 a manner to comply with all applicable federal, State, and local laws relating to pollution
11 control.

12 (p) In outdoor facilities, primary enclosures and walkways with which an animal comes
13 in contact shall be constructed of sealed concrete or other surfaces impervious to moisture.
14 Gravel may be used if maintained at a minimum depth of six inches and kept in a sanitary
15 manner.

16 (q) Dogs kept outdoors shall be provided with housing to allow them to remain dry and
17 comfortable during inclement weather. Housing shall be constructed of material that is
18 impervious to moisture and which can be disinfected. One house shall be available for each
19 animal within each enclosure except for a mother and its unweaned offspring. The house shall
20 be of solid construction, including a roof, four walls, and a floor, must allow the dog to remain
21 dry and comfortable, and must allow the dog to maintain its body heat in cold weather. Each
22 house must include a wind/rain break on the entrance to protect the dog from weather extremes.
23 A suitable method of drainage shall be provided. In addition to housing, the enclosure shall
24 provide protection from excessive sun and inclement weather.

25 (r) Primary enclosures. All primary enclosures shall be constructed so as to provide
26 space to allow each dog to walk, turn about freely, and to easily stand, sit, and lie in a natural
27 position. Primary enclosures shall provide each dog with:

28 (1) At least 12 square feet of indoor floor space per each dog that is 25 inches
29 long or less.

30 (2) At least 20 square feet of indoor floor space per each dog that is between 25
31 and 35 inches long.

32 (3) At least 30 square feet of indoor floor space per each dog that is 35 inches or
33 longer.

34 (4) At least 12 inches of headroom above the head of the tallest dog in the
35 enclosure.

36 (5) A floor constructed of a solid material that is impermeable to moisture.

37 (6) Not more than four adult dogs shall be housed in the same primary enclosure
38 except during any supervised play group interactions.

39 (7) Animal and food waste, bedding, and debris must be removed at least twice
40 daily from all primary enclosures and exercise areas to prevent
41 contamination of the dogs contained in those enclosures and areas and to
42 reduce disease hazards and odors. Each animal must be able to walk and lie
43 down without coming into contact with any waste or debris. Primary
44 enclosures shall be sanitized at least once a week. All dogs must be removed
45 from primary enclosures during cleaning or sanitization with agents,
46 pressurized water, steam, or agents toxic to animals.

47 (8) No primary enclosure may be stacked or otherwise placed on top of or above
48 any other primary enclosure.

49 (s) Sanitation shall be as follows:

50 (1) Prior to the introduction of dogs into empty primary enclosures previously
51 occupied, enclosures and accessories shall be sanitized.

- 1 (2) In addition to primary enclosures being properly cleaned a minimum of two
2 times per day, enclosures and accessories shall be sanitized a minimum of
3 once every seven days.
- 4 (3) Primary enclosures, rooms and hard-surfaced pens or runs shall be sanitized
5 by one of the following:
- 6 a. Washing them with hot water (180 degrees Fahrenheit) and soap or
7 detergent as in a mechanical cage washer.
- 8 b. Washing all soiled surfaces with a detergent solution to remove all
9 organic matter followed by application of a safe and effective
10 disinfectant.
- 11 c. Cleaning all soiled surfaces with live steam.
- 12 (4) Food and water receptacles shall be sanitized daily with hot water, detergent,
13 and disinfectant.
- 14 (5) Soiled linens and cloth products shall be mechanically washed with
15 detergent and sanitized.
- 16 (6) Any area accessible to multiple animals shall be kept clean and sanitary.

17 **"§ 19A-29.4. Daily care for dogs in commercial breeding facilities.**

18 (a) All animals held in the commercial breeding operation shall be provided the
19 following:

- 20 (1) Daily access to both human and same species social interaction.
- 21 (2) Access at least once per day to outdoor space at least three times the size of
22 the primary enclosure; providing that nursing, unweaned puppies and any
23 other dog for which a duly licensed veterinarian states in writing that such
24 activity would pose a health threat shall not be considered to require such
25 access to outdoor space.
- 26 (3) A species and size-appropriate toy, unless it poses a health threat.
- 27 (4) Grooming sufficient to prevent excessive matting and claw or nail length.

28 (b) Dogs shall be fed at least once each 24-hour period except as otherwise might be
29 required to provide adequate veterinary care. Food shall be commercially prepared food that
30 complies with laws applicable to animal feed, or the food shall be provided by the owner. The
31 food shall be free from contamination, wholesome, palatable, and of adequate quality and
32 quantity appropriate for the given size, age, and condition of an animal to meet the daily
33 requirements for nutritional value. Puppies less than six months of age shall be fed at least
34 twice in each 24-hour period. An eight-hour interval between feedings is required if only two
35 feedings are offered in a 24-hour period.

36 (c) Food receptacles shall be accessible to all dogs and shall be located so as to
37 minimize contamination by waste. For every adult animal, there must be at least one food
38 receptacle offered. Food receptacles shall be durable and shall be kept clean and sanitized.
39 Damaged receptacles shall be replaced. Disposable food receptacles may be used but must be
40 discarded after each feeding.

41 (d) Food and water receptacles in outdoor facilities shall be protected from the
42 elements.

43 (e) Each dog shall have continuous access to clean, fresh water that is not frozen and is
44 free of debris, feces, algae, and other contaminants, except as might otherwise be required to
45 provide adequate veterinary care as instructed by a duly licensed veterinarian for medical
46 reasons. Watering receptacles shall be durable and kept clean and sanitized. Damaged
47 receptacles shall be replaced.

48 **"§ 19A-29.5. Veterinary care for commercial breeder operations.**

49 (a) All dogs shall be inoculated as required by State or local law, and shall, at a
50 minimum, receive an annual hands-on examination by a duly licensed veterinarian.

1 **(b)** All dogs shall be treated promptly by a licensed veterinarian for any illness or
2 injury. Veterinary care appropriate to the species shall be provided without undue delay when
3 necessary.

4 **(c)** Each dog shall be observed daily by the animal caretaker in charge, or by someone
5 under the caretaker's direct supervision. Sick or diseased, injured, lame, or blind dogs shall be
6 provided with prompt veterinary care or be euthanized, provided that this shall not affect
7 compliance with any State or local law requiring the holding, for a specified period, of dogs
8 suspected of being diseased. If any diseased or deformed dogs are sold, full written disclosure
9 of the medical condition of the animal shall be provided to the new owner.

10 **(d)** All dogs in a registered facility shall be kept in compliance with the North Carolina
11 rabies law, Part 6 of Article 6 of Chapter 30A of the General Statutes.

12 **"§ 19A-29.6. Penalties for failure of a commercial breeder to provide adequate care for**
13 **animals.**

14 The failure of a commercial breeder to adequately house, exercise, feed, water, provide
15 adequate veterinary care, or otherwise meet the standards of care provided for in this Article for
16 the animals in the commercial breeder's custody or possession shall constitute a Class 3
17 misdemeanor, and the commercial breeder shall be subject to (i) a fine of not less than fifty
18 dollars (\$50.00) per animal nor more than a total of one thousand dollars (\$1,000.00) and (ii)
19 suspension, revocation, or denial of registration as a commercial breeder."

20 **SECTION 8.** G.S. 19A-30 reads as rewritten:

21 **"§ 19A-30. Refusal, suspension or revocation of certificate or license.**

22 **(a)** The Director may refuse to issue or renew or may suspend or revoke a certificate of
23 registration for any animal shelter or a license for any public auction, commercial breeding
24 operation, kennel, pet shop, or dealer, if after an impartial investigation as provided in this
25 Article he determines that any one or more of the following grounds apply:

- 26 (1) Material misstatement in the application for the original certificate of
27 registration or license or in the application for any renewal under this
28 Article;
- 29 (2) Willful disregard or violation of this Article or any rules issued pursuant
30 thereto;
- 31 (3) Failure to provide adequate housing facilities and/or primary enclosures for
32 the purposes of this Article, or if the feeding, watering, sanitizing and
33 housing practices at the animal shelter, public auction, pet shop, commercial
34 breeding operation, or kennel are not consistent with the intent of this Article
35 or the rules adopted under this Article;
- 36 (4) Allowing one's license under this Article to be used by an unlicensed person;
- 37 (5) Conviction of any crime an essential element of which is misstatement,
38 fraud, or dishonesty, or conviction of any felony;
- 39 (6) Making substantial misrepresentations or false promises of a character likely
40 to influence, persuade, or induce in connection with the business of a public
41 auction, commercial kennel, pet shop, or dealer;
- 42 (7) Pursuing a continued course of misrepresentation of or making false
43 promises through advertising, salesmen, agents, or otherwise in connection
44 with the business to be licensed;
- 45 (8) Failure to possess the necessary qualifications or to meet the requirements of
46 this Article for the issuance or holding of a certificate of registration or
47 license.

48 **(b)** The Director shall refuse to register or shall revoke the registration of any person
49 who has been convicted of animal cruelty or neglect in this State or in any other jurisdiction.

50 **(c)** The Director shall, before refusing to issue or renew and before suspension or
51 revocation of a certificate of registration or a license, give to the applicant or holder thereof a

1 written notice containing a statement indicating in what respects the applicant or holder has
2 failed to satisfy the requirements for the holding of a certificate of registration or a license. If a
3 certificate of registration or a license is suspended or revoked under the provisions hereof, the
4 holder shall have five days from such suspension or revocation to surrender all certificates of
5 registration or licenses issued thereunder to the Director or ~~his~~the Director's authorized
6 representative.

7 A person to whom a certificate of registration or a license is denied, suspended, or revoked
8 by the Director may contest the action by filing a petition under G.S. 150B-23 within five days
9 after the denial, suspension, or revocation.

10 Any licensee whose license is revoked under the provisions of this Article shall not be
11 eligible to apply for a new license hereunder until one year has elapsed from the date of the
12 order revoking said license or if an appeal is taken from said order of revocation, one year from
13 the date of the order or final judgment sustaining said revocation. Any person who has been an
14 officer, agent, or employee of a licensee whose license has been revoked or suspended and who
15 is responsible for or participated in the violation upon which the order of suspension or
16 revocation was based, shall not be licensed within the period during which the order of
17 suspension or revocation is in effect."

18 **SECTION 9.** G.S. 19A-32.1 reads as rewritten:

19 **"§ 19A-32.1. Minimum holding period for animals in animal shelters; public viewing of**
20 **animals in animal shelters; disposition of animals.**

21 ...

22 (f) An animal that is surrendered to an animal shelter by the animal's owner and not
23 reclaimed by that owner during the minimum holding period may be disposed of in one of the
24 following manners:

- 25 (1) Returned to the owner.
- 26 (2) Adopted as a pet by a new owner.
- 27 (3) Euthanized by a procedure approved by rules adopted by the ~~Department of~~
28 ~~Agriculture and Consumer Service~~Department of Public Safety or, in the
29 absence of such rules, by a procedure approved by the American Veterinary
30 Medical Association, the Humane Society of the United States, or the
31 American Humane Association.

32 ...

33 (j) Animal shelters shall maintain a record of all animals impounded at the shelter, shall
34 retain those records for a period of at least three years from the date of impoundment, and shall
35 make those records available for inspection during regular inspections pursuant to this Article
36 or upon the request of a representative of the Animal Welfare Section. These records shall
37 contain, at a minimum:

- 38 (1) The date of impoundment.
- 39 (2) The length of impoundment.
- 40 (3) The disposition of each animal, including the name and address of any
41 person to whom the animal is released, any institution that person represents,
42 and the identifying information required under subsection (i) of this section.
- 43 (4) Other information required by rules adopted by the ~~Board of~~
44 ~~Agriculture~~Department of Public Safety."

45 **SECTION 10.** G.S. 19A-41 reads as rewritten:

46 **"§ 19A-41. Legal representation by the Attorney General.**

47 It shall be the duty of the Attorney General to represent the ~~Commissioner of Agriculture~~
48 ~~and the Department of Agriculture and Consumer Services~~Secretary of the Department of
49 Public Safety, or to designate some member of his staff to represent the ~~Commissioner~~
50 Secretary and the Department, in all actions or proceedings in connection with this Article."

51 **SECTION 11.** G.S. 19A-61 reads as rewritten:

1 **"§ 19A-61. Spay/Neuter Program established.**

2 There is established in the ~~Department of Agriculture and Consumer Services~~Department of
3 Public Safety a voluntary statewide program to foster the spaying and neutering of dogs and
4 cats for the purpose of reducing the population of unwanted animals in the State. The program
5 shall consist of the following components:

- 6 (1) Education Program. – The Department shall establish a statewide program to
7 educate the public about the benefits of having cats and dogs spayed and
8 neutered. The Department may work cooperatively on the program with the
9 North Carolina School of Veterinary Medicine, other State agencies and
10 departments, county and city health departments and animal control
11 agencies, and statewide and local humane organizations. The Department
12 may employ outside consultants to assist with the education program.
- 13 (2) Local Spay/Neuter Assistance Program. – The Department shall administer
14 the Spay/Neuter Account established in G.S. 19A-62. Monies deposited in
15 the account shall be available to reimburse eligible counties and cities for the
16 direct costs of spay/neuter surgeries for cats and dogs made available to
17 low-income persons."

18 **SECTION 12.** G.S. 19A-62 reads as rewritten:

19 **"§ 19A-62. Spay/Neuter Account established.**

20 (a) Creation. – The Spay/Neuter Account is established as a nonreverting special
21 revenue account in the ~~Department of Agriculture and Consumer Services.~~Department of
22 Public Safety. The Account consists of the following:

- 23 (1) Repealed by Session Laws 2010-31, s. 11.4(c), effective October 1, 2010.
24 (2) Twenty dollars (\$20.00) of the additional fee imposed by G.S. 20-79.7 for an
25 Animal Lovers special license plate.
26 (3) Any other funds available from appropriations by the General Assembly or
27 from contributions and grants from public or private sources.

28 (b) Use. – The revenue in the Account shall be used by the ~~Department of Agriculture~~
29 ~~and Consumer Services~~Department of Public Safety as follows:

- 30 (1) Repealed by Session Laws 2010-31, s. 11.4(c), effective October 1, 2010.
31 (2) Up to twenty percent (20%) may be used to develop and implement the
32 statewide education program component of the Spay/Neuter Program
33 established in G.S. 19A-61(1).
34 (3) Up to twenty percent (20%) of the money in the Account may be used to
35 defray the costs of administering the Spay/Neuter Program established in
36 this Article.
37 (4) Funds remaining after deductions for the education program and
38 administrative expenses shall be distributed quarterly to eligible counties and
39 cities seeking reimbursement for reduced-cost spay/neuter surgeries
40 performed during the previous calendar year. A county or city is ineligible to
41 receive funds under this subdivision unless it requires the owner to show
42 proof of rabies vaccination at the time of the procedure or, if none, require
43 vaccination at the time of the procedure.

44"

45 **SECTION 13.** G.S. 19A-64(b) reads as rewritten:

46 "(b) Application. – A county or city eligible for reimbursement of spaying and neutering
47 costs from the Spay/Neuter Account shall apply to the ~~Department of Agriculture and~~
48 ~~Consumer Services~~Department of Public Safety by the last day of January, April, July, and
49 October of each year to receive a distribution from the Account for that quarter. The application
50 shall be submitted in the form required by the Department and shall include an itemized listing
51 of the costs for which reimbursement is sought."

1 **SECTION 14.** G.S. 19A-65 reads as rewritten:

2 "**§ 19A-65. Annual Report Required From Every Animal Shelter in Receipt of State or**
3 **Local Funding.**

4 Every county or city animal shelter, or animal shelter operated under contract with a county
5 or city or otherwise in receipt of State or local funding shall prepare an annual report in the
6 form required by the ~~Department of Agriculture and Consumer Services~~ Department of Public
7 Safety setting forth the numbers, by species, of animals received into the shelter, the number
8 adopted out, the number returned to owner, and the number destroyed. The report shall also
9 contain the total operating expenses of the shelter and the cost per animal handled. The report
10 shall be filed with the ~~Department of Agriculture and Consumer Services~~ Department of Public
11 Safety by March 1 of each year. A city or county that does not timely file the report required by
12 this section is not eligible to receive reimbursement payments under G.S. 19A-64 during the
13 calendar year in which the report was to be filed."

14 **SECTION 15.** G.S. 19A-66 reads as rewritten:

15 "**§ 19A-66. Notification of available funding.**

16 Prior to January 1 of each year, the ~~Department of Agriculture and Consumer Services~~
17 Department of Public Safety shall notify counties and cities that have, prior to that notification
18 deadline, established eligibility for distribution of funds from the Spay/Neuter Account
19 pursuant to G.S. 19A-63, of the following:

20 "

21 **SECTION 16.** G.S. 90-101(a2) reads as rewritten:

22 "(a2) An animal shelter may register under this section for the limited purpose of
23 obtaining, possessing, and using sodium pentobarbital and other drugs approved by the
24 Department in consultation with the North Carolina Veterinary Medical Association for the
25 euthanasia of animals lawfully held by the animal shelter. An animal shelter registered under
26 this section shall also register with the federal Drug Enforcement Agency under the federal
27 Controlled Substances Act. An animal shelter's acquisition of sodium pentobarbital and other
28 approved drugs for use in the euthanizing of animals shall be made only by the shelter's
29 manager or chief operating officer or by a licensed veterinarian.

30 A person certified by the ~~Department of Agriculture and Consumer Services~~ Department of
31 Public Safety to administer euthanasia by injection is authorized to possess and administer
32 sodium pentobarbital and other approved euthanasia drugs for the purposes of euthanizing
33 domestic dogs (*Canis familiaris*) and cats (*Felis domestica*) lawfully held by an animal shelter.
34 Possession and administration of sodium pentobarbital and other approved drugs for use in the
35 euthanizing of dogs and cats by a certified euthanasia technician shall be limited to the
36 premises of the animal shelter.

37 For purposes of this section, "animal shelter" means an animal shelter registered under
38 Article 3 of Chapter 19A of the General Statutes and owned, operated, or maintained by a unit
39 of local government or under contract with a unit of local government for the purpose of
40 housing or containing seized, stray, homeless, quarantined, abandoned, or unwanted animals."

41 **SECTION 17.** G.S. 153A-442 reads as rewritten:

42 "**§ 153A-442. Animal shelters.**

43 A county may establish, equip, operate, and maintain an animal shelter or may contribute to
44 the support of an animal shelter, and for these purposes may appropriate funds not otherwise
45 limited as to use by law. The animal shelters shall meet the same standards as animal shelters
46 regulated by the ~~Department of Agriculture~~ Department of Public Safety pursuant to its
47 authority under Chapter 19A of the General Statutes."

48 **SECTION 18.** G.S. 160A-493 reads as rewritten:

49 "**§ 160A-493. Animal shelters.**

50 A city may establish, equip, operate, and maintain an animal shelter or may contribute to
51 the support of an animal shelter, and for these purposes may appropriate funds not otherwise

1 limited as to use by law. The animal shelters shall meet the same standards as animal shelters
2 regulated by the ~~Department of Agriculture~~ Department of Public Safety pursuant to its
3 authority under Chapter 19A of the General Statutes."

4 **SECTION 19.(a)** G.S. 105-164.13(4b) reads as rewritten:

5 "(4b) Products of a farm sold in their original state by the producer of the products
6 if the producer is not primarily a retail merchant and ice used to preserve
7 agriculture, aquaculture and commercial fishery products until the products
8 are sold at retail. The exemption provided in this subdivision does not apply
9 to products of a commercial breeding operation, as defined in G.S. 19A-23,
10 or products of other operations for the breeding and selling of animals as
11 pets."

12 **SECTION 19.(b)** G.S. 105-164.13E(a) reads as rewritten:

13 "(a) Exemption. – A qualifying farmer is a person who has an annual gross income for
14 the preceding taxable year of ten thousand dollars (\$10,000) or more from farming operations
15 or who has an average annual gross income for the three preceding taxable years of ten
16 thousand dollars (\$10,000) or more from farming operations. A qualifying farmer includes a
17 dairy operator, a poultry farmer, an egg producer, a livestock farmer, a farmer of crops, and a
18 farmer of an aquatic species, as defined in ~~G.S. 106-758~~. G.S. 106-758, but does not include a
19 commercial breeder, as defined in G.S. 19A-23, or other breeders of animals sold as pets. A
20 qualifying farmer may apply to the Secretary for an exemption certificate number under
21 G.S. 105-164.28A. The exemption certificate expires when a person fails to meet the income
22 threshold for three consecutive taxable years or ceases to engage in farming operations.

23 The following tangible personal property, digital property, and services are exempt from
24 sales and use tax if purchased by a qualifying farmer and for use by the farmer in farming
25 operations. For purposes of this section, an item is used by a farmer for farming operations if it
26 is used for the planting, cultivating, harvesting, or curing of farm crops or in the production of
27 dairy products, eggs, or animals:

28"

29 **SECTION 20.** Section 19 of this act becomes effective July 1, 2015, and applies to
30 sales made on or after that date. The remainder of this act becomes effective December 1, 2015,
31 and applies to offenses committed on or after that date.