

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009

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HOUSE DRH10534-LL-55 (2/3)

Short Title: Spay/Neuter Program Transfer/Funds. (Public)

Sponsors: Representatives Harrison and Wray (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS TO THE SPAY/NEUTER ACCOUNT AND TO  
TRANSFER ADMINISTRATION OF THE VOLUNTARY SPAY/NEUTER PROGRAM  
TO THE DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES.

The General Assembly of North Carolina enacts:

**SECTION 1.(a)** The Spay/Neuter Program established under G.S. 19A-61 and the Spay/Neuter Account established under G.S. 19A-61 are transferred from the Department of Health and Human Services to the Department of Agriculture and Consumer Services by a Type I transfer as defined by G.S. 143A-6. Any unexpended funds appropriated to the Department of Health and Human Services for the 2009-2010 fiscal year to implement the Spay/Neuter Program are transferred to the Department of Agriculture and Consumer Services.

**SECTION 1.(b)** G.S. 19A-61 reads as rewritten:

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

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

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

**SECTION 1.(c)** G.S. 19A-6 reads as rewritten:

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

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



- 1           (1) ~~The portion of the fee imposed under G.S. 130A-190(b)(4) for obtaining a~~  
 2           ~~rabies vaccination tag from the Department of Health and Human Services.~~  
 3           (2) Ten dollars (\$10.00) of the additional fee imposed by G.S. 20-79.7 for an  
 4           Animal Lovers special license plate.  
 5           (2a) Funds transferred pursuant to G.S. 106-284.40(d).  
 6           (3) Any other funds available from appropriations by the General Assembly or  
 7           from contributions and grants from public or private sources.  
 8       (b) Use. – The revenue in the Account shall be used by the Department of ~~Health and~~  
 9       ~~Human Services~~ Agriculture and Consumer Services as follows:  
 10       (1) ~~If the revenue generated by the portion of the fee imposed under~~  
 11       ~~G.S. 130A-190(b)(3) is less than forty-seven thousand five hundred dollars~~  
 12       ~~(\$47,500) for the fiscal year, then funds up to the difference between~~  
 13       ~~forty-seven thousand five hundred dollars (\$47,500) and the amount of~~  
 14       ~~revenue generated may be used from this Account to fund rabies education~~  
 15       ~~and prevention programs.~~  
 16       (2) ~~Twenty percent (20%) shall be used to develop and implement the statewide~~  
 17       ~~education program component of the Spay/Neuter Program established in~~  
 18       ~~G.S. 19A-61(a).~~  
 19       (2a) The sum of sixty thousand dollars (\$60,000) shall be distributed annually to  
 20       the Department of Health and Human Services to fund rabies education and  
 21       prevention programs.  
 22       (3) Up to twenty percent (20%) of the money in the Account may be used to  
 23       develop and implement the statewide education program component of the  
 24       Spay/Neuter Program established in G.S. 19A-61 and to defray the costs of  
 25       administering the Spay/Neuter Program established in this Article.  
 26       (4) Funds remaining after deductions for the education program and  
 27       administrative expenses shall be distributed quarterly to eligible counties and  
 28       cities seeking reimbursement for reduced-cost spay/neuter surgeries  
 29       ~~performed during the previous year.~~ previously performed. A county or city  
 30       is ineligible to receive funds under this subdivision unless it requires the  
 31       owner to show proof of rabies vaccination at the time of the procedure or, if  
 32       none, require vaccination at the time of the procedure.  
 33       (c) Report. – In February of each year, the Department must report to the Joint  
 34       Legislative Commission on Governmental Operations and the Fiscal Research Division. The  
 35       report must contain information regarding all revenues and expenditures of the Spay/Neuter  
 36       Account."

37           **SECTION 1.(d)** G.S. 19A-63 reads as rewritten:

38       **"§ 19A-63. Eligibility for distributions from Spay/Neuter Account.**

39       (a) A county or city is eligible for reimbursement from the Spay/Neuter Account if it  
 40       meets the following condition:

- 41       (1) The county or city offers one or more of the following programs to  
 42       low-income persons on a year-round basis for the purpose of reducing the  
 43       cost of spaying and neutering procedures for dogs and cats:  
 44       a. A spay/neuter clinic operated by the county or city.  
 45       b. A spay/neuter clinic operated by a private organization under  
 46       contract or other arrangement with the county or city.  
 47       c. A contract or contracts with one or more veterinarians, whether or  
 48       not located within the county, to provide reduced-cost spaying and  
 49       neutering procedures.  
 50       d. Subvention of the spaying and neutering costs incurred by  
 51       low-income pet owners through the use of vouchers or other

1 procedure that provides a discount of the cost of the spaying or  
2 neutering procedure fixed by a participating veterinarian or other  
3 provider.

- 4 e. Subvention of the spaying and neutering costs incurred by persons  
5 who adopt a pet from an animal shelter operated by or under contract  
6 with the county or city.

7 (2) Reserved for future codification purposes.

8 (b) For purposes of this Article, the term "low-income person" shall mean an individual  
9 who qualifies for one or more of the programs of public assistance administered by the  
10 Department of Health and Human Services pursuant to Chapter 108A of the General Statutes.  
11 Statutes or whose annual household income is under two hundred percent (200%) of the federal  
12 poverty level guidelines published by the United States Department of Labor.

13 (c) Each county shall make rules or publish guidelines that designate what proof a  
14 low-income person must submit to establish that the person qualifies for public assistance  
15 under subsection (b) of this section or has an annual household income lower than two hundred  
16 percent (200%) of the federal poverty level guidelines published by the United States  
17 Department of Labor."

18 **SECTION 1.**(e) Section 19A-64 reads as rewritten:

19 **"§ 19A-64. Distributions to counties and cities from Spay/Neuter Account.**

20 (a) Reimbursable Costs. – Counties and cities eligible for distributions from the  
21 Spay/Neuter Account may receive reimbursement for the direct costs of a spay/neuter surgical  
22 procedure for a dog or cat owned by a low-income person ~~meeting the Department's eligibility~~  
23 ~~requirements for spay/neuter services as defined in G.S. 19A-63(b).~~ Reimbursable costs shall  
24 include anesthesia, medication, and veterinary services. Counties and cities shall not be  
25 reimbursed for the administrative costs of providing reduced-cost spay/neuter services or  
26 capital expenditures for facilities and equipment associated with the provision of such services.

27 (b) Application. – A county or city eligible for reimbursement of spaying and neutering  
28 costs from the Spay/Neuter Account shall apply to the Department of ~~Health and Human~~  
29 ~~Services~~ Agriculture and Consumer Services by the last day of January, April, July, and October  
30 of each year to receive a distribution from the Account for that quarter. The application shall be  
31 submitted in the form required by the Department and shall include an itemized listing of the  
32 costs for which reimbursement is sought.

33 (c) Distribution. – The Department shall make payments from the Spay/Neuter Account  
34 to eligible counties and cities who have made timely application for reimbursement within 30  
35 days of the closing date for receipt of applications for that quarter. In the event that total  
36 requests for reimbursement exceed the amounts available in the Spay/Neuter Account for  
37 distribution, the monies available will be distributed as follows:

- 38 (1) Fifty percent (50%) of the monies available in the Spay/Neuter Account  
39 shall be reserved for reimbursement for eligible applicants within  
40 development tier one areas as defined in G.S. 143B-437.08. The remaining  
41 fifty percent (50%) of the funds shall be used to fund reimbursement  
42 requests from eligible applicants in development tier two and three areas as  
43 defined in G.S. 143B-437.08.

- 44 (2) Among the eligible counties and cities in development tier one areas,  
45 reimbursement shall be made to each eligible county or city ~~in proportion to~~  
46 ~~the number of dogs and cats that have received rabies vaccinations during~~  
47 ~~the preceding fiscal year in that county or city as compared to the number of~~  
48 ~~dogs and cats that have received rabies vaccinations during the preceding~~  
49 ~~fiscal year by all of the eligible applicants in development tier one areas.~~  
50 pursuant to rules adopted by the Department.

1 (3) Among the eligible counties and cities in development tier two and three  
2 areas, reimbursement shall be made to each eligible county or city ~~in~~  
3 ~~proportion to the number of dogs and cats that have received rabies~~  
4 ~~vaccinations during the preceding fiscal year in that county or city as~~  
5 ~~compared to the number of dogs and cats that have received rabies~~  
6 ~~vaccinations during the preceding fiscal year by all of the eligible applicants~~  
7 ~~in development tier two and three areas pursuant to rules adopted by the~~  
8 Department.

9 (4) Should funds remain available from the fifty percent (50%) of the  
10 Spay/Neuter Account designated for development tier one areas after  
11 reimbursement of all claims by eligible applicants in those areas, the  
12 remaining funds shall be made available to reimburse eligible applicants in  
13 development tier two and three areas."

14 **SECTION 1.(f)** Section 19A-65 reads as rewritten:

15 **"§ 19A-65. Annual Report Required From Every Animal Shelter in Receipt of State or**  
16 **Local Funding.**

17 Every county or city animal shelter, or animal shelter operated under contract with a county  
18 or city or otherwise in receipt of State or local funding shall prepare an annual report setting  
19 forth the numbers, by species, of animals received into the shelter, the number adopted out, the  
20 number returned to owner, and the number destroyed. The report shall also contain the total  
21 operating expenses of the shelter and the cost per animal handled. The report shall be filed with  
22 the Department of ~~Health and Human Services~~Agriculture and Consumer Services by ~~August 1~~  
23 March 1 of each year. A city or county that does not timely file the report required by this  
24 section is not eligible to receive reimbursement payments under G.S. 19A-64 during the  
25 calendar year in which the report was to be filed.

26 **SECTION 2.(a)** There is appropriated from the General Fund to the Department of  
27 Agriculture and Consumer Services the sum of one million dollars (\$1,000,000) for the  
28 2009-2010 fiscal year and the sum of one million dollars (\$1,000,000) for the 2010-2011 fiscal  
29 year for the purpose of funding the Spay/Neuter Account established under G.S. 19A-62(a).  
30 These funds are in addition to the funds available from the Spay/Neuter Account under  
31 G.S. 19A-62(b) and any funds transferred in Section 1 of this act. Funds appropriated in this  
32 section for the 2009-2010 fiscal year shall not revert but may be used by the Department during  
33 the 2010-2011 fiscal year for the purpose of funding the Spay/Neuter Account.

34 **SECTION 2.(b)** Prior to January 1, 2010, the Department shall notify counties and  
35 cities that have, prior to that notification deadline, established eligibility for distribution of  
36 funds from the Spay/Neuter Account pursuant to G.S. 19A-63, of the following:

- 37 (1) The amount of funding in the Spay and Neuter Account the Department that  
38 will have available for distribution to each county or city receiving  
39 notification to pay reimbursement requests submitted by the county or city  
40 during the calendar year following the notification deadline; and  
41 (2) The amount of additional funding, if any, the Department estimates, but does  
42 not guarantee, may be available to pay reimbursement requests submitted by  
43 the notified county or city to the Department during the calendar year  
44 following the notification deadline.

45 **SECTION 3.** G.S. 106-284.40 is amended by adding a new subsection to read:

46 "(d) To the extent not applied to cover the costs of inspection of canned pet food and  
47 commercial feeds, fees and other receipts collected under this section shall be applied to  
48 implement the Local Spay/Neuter Assistance Program created by G.S. 19A-61(2)."

49 **SECTION 4.** G.S. 130A-190(b) reads as rewritten:

50 "(b) Fee. – Rabies vaccination tags, links, and rivets may be obtained from the  
51 Department. Department of Health and Human Services. The Secretary is authorized to

1 establish by rule a fee for the rabies tags, links, and rivets in accordance with this subsection.

2 The fee for each tag is the sum of the following:

3 (1) The actual cost of the rabies tag, links, and rivets.

4 (2) Transportation costs.

5 (3) Five cents (5¢). This portion of the fee shall be used to fund rabies education  
6 and prevention programs.

7 ~~(4) Twenty cents (20¢). This portion of the fee shall be credited to the~~  
8 ~~Spay/Neuter Account established in G.S. 19A-62 and used to fund statewide~~  
9 ~~spay/neuter programs. This portion of the fee shall not be imposed for tags~~  
10 ~~provided to persons who operate establishments primarily for the purpose of~~  
11 ~~boarding or training hunting dogs or who own and vaccinate 10 or more~~  
12 ~~dogs per year."~~

13 **SECTION 5.** This act becomes effective July 1, 2009.