

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2007**

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**HOUSE BILL 2719\***

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

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Sponsors: Representatives Harrison, Cotham, Faison (Primary Sponsors); Alexander, Bordsen, Bryant, Coleman, Dickson, Fisher, Glazier, T. Harrell, Hughes, Insko, Jeffus, Jones, Justus, Luebke, Martin, Mobley, Parmon, Tarleton, Weiss, Womble, and Wray.

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Referred to: Appropriations.

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May 28, 2008

A BILL TO BE ENTITLED

1 AN ACT TO APPROPRIATE FUNDS TO THE SPAY/NEUTER ACCOUNT AND  
2 TO TRANSFER ADMINISTRATION OF THE VOLUNTARY SPAY/NEUTER  
3 PROGRAM TO THE DEPARTMENT OF AGRICULTURE AND CONSUMER  
4 SERVICES.  
5

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.(a)** The Spay/Neuter Program established under G.S. 19A-61  
8 and the Spay/Neuter Account established under G .S. 19A-61 are transferred from the  
9 Department of Health and Human Services to the Department of Agriculture and  
10 Consumer Services by a Type I transfer as defined by G.S. 143A-6. Any unexpended  
11 funds appropriated to the Department of Health and Human Services for the 2008-2009  
12 fiscal year to implement the Spay/Neuter Program are transferred to the Department of  
13 Agriculture and Consumer Services.

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

15 "**§ 19A-61. Spay/Neuter Program established.**

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

- 20 (1) Education Program. – The Department shall establish a statewide  
21 program to educate the public about the benefits of having cats and  
22 dogs spayed and neutered. The Department may work cooperatively  
23 on the program with the North Carolina School of Veterinary  
24 Medicine, other State agencies and departments, county and city health  
25 departments and animal control agencies, and statewide and local

1 humane organizations. The Department may employ outside  
2 consultants to assist with the education program.

- 3 (2) Local Spay/Neuter Assistance Program. – The Department shall  
4 administer the Spay/Neuter Account established in G.S. 19A-62.  
5 Monies deposited in the account shall be available to reimburse  
6 eligible counties and cities for the direct costs of spay/neuter surgeries  
7 for cats and dogs made available to low-income persons."

8 **SECTION 1.(c)** G.S. 19A-62 reads as rewritten:

9 **"§ 19A-62. Spay/Neuter Account established.**

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

- 13 (1) ~~The portion of the fee imposed under G.S. 130A-190(b)(4) for~~  
14 ~~obtaining a rabies vaccination tag from the Department of Health and~~  
15 ~~Human Services.~~  
16 (2) Ten dollars (\$10.00) of the additional fee imposed by G.S. 20-79.7 for  
17 an Animal Lovers special license plate.  
18 (2a) Funds transferred pursuant to G.S. 106-284.40(d).  
19 (3) Any other funds available from appropriations by the General  
20 Assembly or from contributions and grants from public or private  
21 sources.

22 (b) Use. – The revenue in the Account shall be used by the Department of ~~Health~~  
23 ~~and Human Services~~ Agriculture and Consumer Services as follows:

- 24 (1) ~~If the revenue generated by the portion of the fee imposed under~~  
25 ~~G.S. 130A-190(b)(3) is less than forty seven thousand five hundred~~  
26 ~~dollars (\$47,500) for the fiscal year, then funds up to the difference~~  
27 ~~between forty seven thousand five hundred dollars (\$47,500) and the~~  
28 ~~amount of revenue generated may be used from this Account to fund~~  
29 ~~rabies education and prevention programs.~~  
30 (2) ~~Twenty percent (20%) shall be used to develop and implement the~~  
31 ~~statewide education program component of the Spay/Neuter Program~~  
32 ~~established in G.S. 19A-61(a).~~  
33 (2a) The sum of sixty thousand dollars (\$60,000) shall be distributed  
34 annually to the Department of Health and Human Services to fund  
35 rabies education and prevention programs.  
36 (3) Up to twenty percent (20%) of the money in the Account may be used  
37 to develop and implement the statewide education program component  
38 of the Spay/Neuter Program established in G.S. 19A-61 and to defray  
39 the costs of administering the Spay/Neuter Program established in this  
40 Article.  
41 (4) Funds remaining after deductions for the education program and  
42 administrative expenses shall be distributed quarterly to eligible  
43 counties and cities seeking reimbursement for reduced-cost  
44 spay/neuter surgeries ~~performed during the previous year.~~ previously

1 performed. A county or city is ineligible to receive funds under this  
2 subdivision unless it requires the owner to show proof of rabies  
3 vaccination at the time of the procedure or, if none, require vaccination  
4 at the time of the procedure.

5 (c) Report. – In February of each year, the Department must report to the Joint  
6 Legislative Commission on Governmental Operations and the Fiscal Research Division.  
7 The report must contain information regarding all revenues and expenditures of the  
8 Spay/Neuter Account."

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

10 **"§ 19A-63. Eligibility for distributions from Spay/Neuter Account.**

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

13 (1) The county or city offers one or more of the following programs to  
14 low-income persons on a year-round basis for the purpose of reducing  
15 the cost of spaying and neutering procedures for dogs and cats:

- 16 a. A spay/neuter clinic operated by the county or city.  
17 b. A spay/neuter clinic operated by a private organization under  
18 contract or other arrangement with the county or city.  
19 c. A contract or contracts with one or more veterinarians, whether  
20 or not located within the county, to provide reduced-cost  
21 spaying and neutering procedures.  
22 d. Subvention of the spaying and neutering costs incurred by  
23 low-income pet owners through the use of vouchers or other  
24 procedure that provides a discount of the cost of the spaying or  
25 neutering procedure fixed by a participating veterinarian or  
26 other provider.  
27 e. Subvention of the spaying and neutering costs incurred by  
28 persons who adopt a pet from an animal shelter operated by or  
29 under contract with the county or city.

30 (2) Reserved for future codification purposes.

31 (b) For purposes of this Article, the term "low-income person" shall mean an  
32 individual who qualifies for one or more of the programs of public assistance  
33 administered by the Department of Health and Human Services pursuant to Chapter  
34 108A of the General Statutes. Statutes or whose annual household income is under two  
35 hundred percent (200%) of the federal poverty level guidelines published by the United  
36 States Department of Labor.

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

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

43 **"§ 19A-64. Distributions to counties and cities from Spay/Neuter Account.**

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

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

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

- 21 (1) Fifty percent (50%) of the monies available in the Spay/Neuter  
22 Account shall be reserved for reimbursement for eligible applicants  
23 within development tier one areas as defined in G.S. 143B-437.08. The  
24 remaining fifty percent (50%) of the funds shall be used to fund  
25 reimbursement requests from eligible applicants in development tier  
26 two and three areas as defined in G.S. 143B-437.08.
- 27 (2) Among the eligible counties and cities in development tier one areas,  
28 reimbursement shall be made to each eligible county or city ~~in~~  
29 ~~proportion to the number of dogs and cats that have received rabies~~  
30 ~~vaccinations during the preceding fiscal year in that county or city as~~  
31 ~~compared to the number of dogs and cats that have received rabies~~  
32 ~~vaccinations during the preceding fiscal year by all of the eligible~~  
33 ~~applicants in development tier one areas.~~ pursuant to rules adopted by  
34 the Department.
- 35 (3) Among the eligible counties and cities in development tier two and  
36 three areas, reimbursement shall be made to each eligible county or  
37 city ~~in proportion to the number of dogs and cats that have received~~  
38 ~~rabies vaccinations during the preceding fiscal year in that county or~~  
39 ~~city as compared to the number of dogs and cats that have received~~  
40 ~~rabies vaccinations during the preceding fiscal year by all of the~~  
41 ~~eligible applicants in development tier two and three areas.~~ pursuant to  
42 rules adopted by the Department.
- 43 (4) Should funds remain available from the fifty percent (50%) of the  
44 Spay/Neuter Account designated for development tier one areas after

1 reimbursement of all claims by eligible applicants in those areas, the  
2 remaining funds shall be made available to reimburse eligible  
3 applicants in development tier two and three areas."

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

5 **"§ 19A-65. Annual Report Required From Every Animal Shelter in Receipt of**  
6 **State or Local Funding.**

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

17 **SECTION 2.(a)** There is appropriated from the General Fund to the  
18 Department of Agriculture and Consumer Services the sum of two million dollars  
19 (\$2,000,000) for the 2008-2009 fiscal year for the purpose of funding the Spay/Neuter  
20 fund established under G.S. 19A-62(a). These funds are in addition to the funds  
21 available from the Spay/Neuter Account under G.S. 19A-62(b) and any funds  
22 transferred in Section 1 of this act. Funds appropriated in this section shall not revert but  
23 may be used by the Department during the 2009-2011 biennium. It is the intention of  
24 the General Assembly to appropriate for the 2009-2011 biennium for the purpose of  
25 funding the Spay/Neuter Account the sum of two million dollars (\$2,000,000) for the  
26 2009-2010 fiscal year and the sum of two million dollars (\$2,000,000) for the  
27 2010-2011 fiscal year.

28 **SECTION 2.(b)** Prior to January 1, 2009, the Department shall notify  
29 counties and cities that have, prior to that notification deadline, established eligibility  
30 for distribution of funds from the Spay/Neuter Account pursuant to G.S. 19A-63, of the  
31 following:

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

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

43 "(d) To the extent not applied to cover the costs of inspection of canned pet food  
44 and commercial feeds, fees and other receipts collected under this section shall be

1 applied to implement the Local Spay/Neuter Assistance Program created by  
2 G.S. 19A-61(2)."

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

4 "(b) Fee. – Rabies vaccination tags, links, and rivets may be obtained from the  
5 ~~Department.~~ Department of Health and Human Services. The Secretary is authorized to  
6 establish by rule a fee for the rabies tags, links, and rivets in accordance with this  
7 subsection. The fee for each tag is the sum of the following:

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

9 (2) Transportation costs.

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

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

18 **SECTION 5.** This act becomes effective July 1, 2008.