



VERMONT LEGISLATIVE  
**Joint Fiscal Office**

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## Fiscal Note

March 10, 2026

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### **H.841 – An act relating to miscellaneous animal welfare procedures**

As recommended by the House Committee on Government Operations and Military Affairs, Draft 2.1<sup>1</sup>

#### **Bill Summary**

**T**his bill, as recommended, makes several changes to statutes governing the powers and duties of the Department of Public Safety's (DPS's) Division of Animal Welfare, as well as other changes to statutes governing animal welfare and licensure.

The bill would also authorize a tax checkoff for taxpayers to donate refunds to the Animal Welfare Fund, which funds the expenses incurred by the Division of Animal Welfare.

#### **Fiscal Impact**

This bill proposes to create a checkoff for voluntary contributions from tax refunds to the Animal Welfare Fund. This would facilitate contributions to the Animal Welfare Fund but would require near-term administrative work for the Department of Taxes to implement.

Removing the discounted license for large domestic pet or wolf-hybrid breeders is expected to have a minimally positive impact to revenues to municipalities and the Animal Sexual Sterilization Special Fund, since current holders of the optional breeder license are subject to lower municipal license fees on a per-animal basis and are exempt from the surcharge to the Fund.

#### **Background and Details**

The following sections are relevant to fiscal matters.

##### **Section 1: Division of Animal Welfare and Animal Welfare Fund**

Among other provisions, Section 1 would require that animal shelters, rescue organizations, dog breeders, and any other person importing domestic pets into Vermont for adoption, sale, other transfer, or breeding register with the Division of Animal Welfare. The registration would include information on animal intake, production, inventory, and disposition. This registration would not be required for individuals importing a domestic pet for personal purposes. No fee would be charged for this registration, but a failure to register could result in warnings, fines, and cease and desist orders. The Director of Animal Welfare noted in testimony that the Division can administer this requirement with existing resources.<sup>2</sup>

<sup>1</sup> The Joint Fiscal Office (JFO) is a nonpartisan legislative office dedicated to producing unbiased fiscal analysis – this fiscal note is meant to provide information for legislative consideration, not to provide policy recommendations.

<sup>2</sup> House Committee on Government Operations and Military Affairs, February 25, 2026.

Section 1 would also amend statute governing the Animal Welfare Fund to permit the Fund to receive donations, grants, gifts made to it, and revenue from the Animal Welfare Fund tax checkoff proposed in Section 15 of this bill.

**Section 3: General Requirements**

Section 3 would prohibit a person from owning more than 35 dogs. When calculating the number of dogs permitted under this subsection, dogs less than four months old and dogs that have been sexually sterilized would not be counted. The fiscal impact of this restriction on license fee revenues is expected to be de minimis.

**Section 4: Removing Special License for Breeders**

Under current law, the owner or keeper of domestic pets and wolf-hybrids kept for breeding purposes may take out a special annual license for the domestic pets or wolf-hybrids, provided that they are properly kept in an enclosure and vaccinated against rabies. The fees for this special license are \$30 if the number of domestic pets or wolf-hybrids does not exceed 10, and \$3 for each additional domestic pet or wolf-hybrid. Domestic pets and wolf-hybrids covered by this special license are exempt from other license fees, and the surcharges enacted under 20 V.S.A. § 3581(c).

Section 4 proposes to repeal these special license provisions for breeders, who would then be required to follow conventional licensing requirements listed in Table 1.

Since this provision removes a discounted fee for breeders, it would generally be expected to result in an increase in revenue to municipalities with breeders since these animals would be covered by a higher license fee schedule than they currently are. It would also likely result in an increase in revenue to the Animal Sexual Sterilization Special Fund, since a \$4 surcharge would then apply to these animals. Comprehensive data is not available on the number of breeder licenses issued or dogs and wolf-hybrids covered by breeder licenses. However, the impacts of this change are expected to be minimally positive to the respective entities and funds that receive license fee and surcharge revenues. For context, the Animal Spaying and Neutering Fund (proposed in Section 8 to be renamed the Animal Sexual Sterilization Fund) brought in \$253,140 of revenue in fiscal year 2025.<sup>3</sup>

*Table 1: Annual License Fees for Dogs and Wolf-Hybrids*

Statute	Name of Fee	Neutered or Spayed	Not Neutered or Spayed	Where Funds Go
20 V.S.A. § 3581(a)	Annual license	\$4	\$8	Municipality
20 V.S.A. § 3581(c)(1)	Spay/neuter surcharge	\$4	\$4	Animal Sexual Sterilization Fund
20 V.S.A. § 3581(f)	Animal welfare and rabies control surcharge	\$3	\$3	67% Animal Welfare Fund; 14.85% Fish & Wildlife Fund; 14.85% Commissioner of Health; 3.3% Secretary of Agriculture, Food and Markets
20 V.S.A. § 3581(c)(2)	Optional municipal animal and rabies control surcharge	Up to \$10	Up to \$10	Municipality
20 V.S.A. § 3581(a)	Working farm dog license (additional fee)	\$5	\$5	Municipality

<sup>3</sup> Data from the Department of Finance and Management, FY 2025 Special Fund Report. <https://jfo.vermont.gov/assets/Meetings/Joint-Fiscal-Committee/2025-11-13/Special-Fund-Summary-FY16-to-FY25-2-v2.pdf>

**Section 8: Animal Sexual Sterilization Fund**

Section 8 proposes to rename the Animal Spaying and Neutering Fund to the Animal Sexual Sterilization Fund. This fund receives revenue from a \$4 annual license surcharge collected by municipalities under 20 V.S.A. § 3581(c)(1) and funds the dog, cat, and wolf-hybrid sexual sterilization program. This change has no fiscal impact.

**Section 15: Vermont Animal Welfare Fund Checkoff**

Section 15 would require the Commissioner of Taxes to include an opportunity for individuals to designate funds from tax refunds to the Animal Welfare Fund on their income tax returns. The potential revenue to the Animal Welfare Fund is not yet known and would depend on the voluntary actions of individuals who are owed income tax refunds from the State. In recent years, slightly less than 2% of tax filers made donations to any of the four existing options, with a total donated of approximately \$350,000 annually (with fluctuations).<sup>4</sup> It is likely, based on this history, that annual contributions would be less than \$100,000.

This provision would require administrative work at the Department of Taxes to implement; the soonest it could be implemented would be tax year 2026 (filed in 2027).

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<sup>1</sup> The full fiscal note history is available on the fiscal tab of the bill page on the General Assembly website and can be pulled up through a bill number search on the JFO page.

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<sup>4</sup> The existing checkoffs are: Nongame Wildlife Account (1986), Vermont Children's Trust Foundation (1995), Vermont Veterans' Fund (2009), and Vermont Green Up (2013).