SENATE JUDICIARY COMMITTEE Senator Thomas Umberg, Chair 2025-2026 Regular Session

AB 506 (Bennett) Version: June 19, 2025 Hearing Date: July 8, 2025 Fiscal: Yes Urgency: No AM

SUBJECT

Pets: sales of dogs, cats, and rabbits

DIGEST

This bill prohibits offering contracts that transfer ownership of a dog, cat, or rabbit where such contract requires a nonrefundable deposit or fails to make specified disclosures, including identifying the source of the animal. The bill makes contracts entered in to on or after January 1, 2026, that require a nonrefundable deposit void as against public policy and requires the purchaser to be refunded for any exchanged money, as specified. The bill authorizes a private right of action for a purchaser affected by violation of any of these provisions and authorizes specified public prosecutors to bring an action to enforce these provisions, as provided.

EXECUTIVE SUMMARY

California has seen a steady trend of state laws aimed at unscrupulous practices in the breeding and selling of cats, dogs, and rabbits. Pet shops have been prohibited from selling them and those offering these animals up for adoption must meet specified criteria. However, concerns have grown that problematic sales practices have simply moved online to skirt California's strong protections. This bill seeks to address this issue and provide some transparency by requiring contracts that provide for the transfer of ownership of a dog, cat, or rabbit to identify, among other things, the original source of the animal, including the breeder. The bill also prohibits a nonrefundable deposit to be charged in connection with such sales. Contracts must include notice of these requirements and any contracts, entered into on or after January 1, 2026, between a purchaser and a person, pet dealer, or business are void if they require a nonrefundable deposit. The bill authorizes a purchaser affected by a violation of these provisions to bring an action in court and provides they are entitled to reasonable attorney's fees and costs. The bill also authorizes the Attorney General, a county counsel, a district attorney, a city attorney, or a city prosecutor to enforce these provisions. This bill is substantially similar to AB 2248 (Maienschein, 2024), which passed this Committee on a vote of 10 to 0, but was ultimately held in the Senate

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Appropriations Committee. This bill is sponsored by the American Society for the Prevention of Cruelty to Animals (ASPCA) and the San Diego Humane Society. It is supported by several animal advocacy groups, including Social Compassion in Legislation. No timely opposition was received by this Committee. The bill passed out of the Senate Business, Professions and Economic Development Committee on a 9 to 0 vote.

PROPOSED CHANGES TO THE LAW

Existing law:

- 1) Provides that contracts which have for their object, directly or indirectly, to exempt any one from responsibility for his own fraud, or willful injury to the person or property of another, or violation of law, whether willful or negligent, are against the policy of the law. (Civ. Code § 1668.)
- 2) Prohibits a pet store from adopting out, selling, or offering for sale a dog, cat, or rabbit. A pet store may provide space for the display of these animals for adoption if displayed by a public animal control agency or shelter, or animal rescue group so long as the store receives no fees for the adoption. (Health & Saf. Code § 122354.5.)
- 3) Prohibits displaying animals at a pet store, or an animal rescue group operating a retail establishment from offering dogs, cats, or rabbits, for adoption unless the animals are sterilized and the adoption fees do not exceed \$500, as provided. (Health & Saf. Code § 122354.5.)
- Subjects those in violation to civil penalties and injunctive relief in an action brought on behalf of the people by a district attorney or a city attorney, as provided. (Health & Saf. Code § 122354.5.)
- 5) Requires every breeder of dogs to deliver to each purchaser of a dog a written disclosure containing certain information, including:
 - a) the breeders name and address and the license number if licensed;
 - b) the date of the dog's birth and the date the breeder received the dog;
 - c) the breed, sex, color, and identifying marks at the time of sale, if any;
 - d) the names and registration numbers of the sire and dam and litter number, if known and if the dog is being sold as being capable of registration; and
 - e) specified medical records for the dog. (Health & Saf. Code § 122050.)
- 6) Requires a breeder to maintain a written record on the health, status, and disposition of each dog for a period of not less than one year after the disposition of the dog. (Health & Saf. Code § 122055.)

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- 7) Prohibits an online pet retailer, as defined, from offering, brokering or making a referral for a loan or other financing for the adoption or sale of a dog, cat, or rabbit. (Health & Saf. Code § 122191.)
- 8) Defines "service animal" as any dog that is individually trained to do work or perform tasks for the benefit of an individual with a disability, including a physical, sensory, psychiatric, intellectual, or other mental disability, or that is in training to do that work or perform those tasks. "Service animal" does not include any other species of animals, whether wild or domestic, trained or untrained. (Health & Saf. Code § 113903.)

This bill:

- 1) Requires a person, pet dealer, or business that sells a dog, cat, or rabbit to a purchaser to provide a written notice to the buyer or recipient of the dog, cat, or rabbit that states all of the following:
 - a) The original source of the dog, cat, or rabbit, including, but not limited to:
 - i) the breeder;
 - ii) the United States Department of Agriculture license number associated with the breeder, if applicable;
 - iii) the state that the dog, cat, or rabbit was born in; and
 - iv) if any of the information in i)-iii), above, is unknown, the seller must state that this information is unknown and provide any related information known by the seller, seller's agents, or seller's employees. The record shall contain a statement that the information is complete and true to the best of the seller's knowledge.
 - b) A record of inoculations and worming treatments administered, if any, to the dog, cat, or rabbit as of the time of sale, including dates of administration and the type of vaccine or worming treatment.
 - c) A record of any veterinarian treatment or medication received by the dog, cat, or rabbit while in the possession of the person, pet dealer, or business and a statement, signed by the person, pet dealer, or business at the time of sale, containing the information required by paragraph (6) of subdivision (a) of Section 122050 relating to the dog, cat, or rabbit to be purchased.
- 2) Requires a contract entered into on, or after, January 1, 2026, transferring ownership of a dog, cat, or rabbit to a purchaser that is offered, negotiated, brokered, or otherwise arranged by a person, pet dealer, or business while the purchaser is located in California is void as against public policy if the contract includes or requires a nonrefundable deposit.
 - a) If money has been exchanged pursuant to a contract that is void pursuant to these provisions, the seller is required to refund the money to the

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purchaser within 30 days of receiving notice that the contract is void without expectation of return of the contract subject.

- 3) Prohibits a person, pet dealer, or business from offering a contract that contains a term in violation of these provisions.
 - a) Authorizes a person, pet dealer, or business that offers a contract that contains a term that violates these provisions to be sued in any court of competent jurisdiction for the recovery of money exchanged pursuant to that contract, injunctive relief, and other remedies the court deems appropriate.
- 4) Authorizes a purchaser affected by a violation of these provisions to bring a civil action against the person, pet dealer, or business who committed the violation.
- 5) Authorizes the Attorney General, a county counsel, a district attorney, a city attorney, or a city prosecutor to enforce these provisions in an action brought in the name of the people of the State of California in any court of competent jurisdiction
 - a) This authority provided to a public prosecutor is not an exclusive remedy and does not affect any other relief or remedy provided by law.
- 6) Provides that these provisions do not limit a contract for the transfer of ownership of an animal to or by a governmental agency or the transfer of ownership of a guide, signal, or service dog, as defined in Section 54.1 of the Civil Code.
- 7) Provides that these provisions do not apply to a public animal control agency or shelter.
- 8) Defines the following terms for these purposes:
 - a) "Pet dealer" means a person engaging in the business of selling dogs or cats, or both, at retail, and by virtue of the sales of dogs or cats is required to possess a permit pursuant to Section 6066 of the Revenue and Taxation Code.
 - b) "Public animal control agency or shelter" means any facility operated by or under contract with any governmental entity for the purpose of impounding or harboring seized, stray, homeless, abandoned, or unwanted dogs, cats, rabbits, or other animals.
 - c) "Purchase" means a person who purchases a dog or cat from a pet dealer without the intent to resell the animal.

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COMMENTS

1. Stated need for the bill

The author writes:

For good reason, retail pet sales have been banned since 2019. Now, online sales have become a breeding ground for fraud – fake sellers, hidden mass breeders, and unscrupulous brokers using "bait-and-switch" tactics to trick buyers into bad deals. Pet scams are the number one online purchase fraud, costing victims thousands without recourse. AB 506 protects consumers from predatory pet sales and stops the puppy-mill pipeline by requiring pet sellers to include the original source of the dog, cat, or rabbit and available veterinary records during the sale. Additionally, this bill voids contracts between consumers and pet sellers that require a nonrefundable deposit.

2. <u>Regulating the sale of dogs, cats, and rabbits</u>

The Legislature has taken a series of steps to move toward a more humane system for buying and selling pets. AB 485 (O'Donnell, Ch. 740, Stats. 2017) prohibited a pet store operator from selling a live cat, dog, or rabbit in a pet store unless they were obtained from a public animal control agency or shelter, specified nonprofit, or animal rescue or adoption organization, as defined. It also permitted shelters to enter into cooperative agreements with animal rescue or adoption organizations regarding rabbits; required dogs or cats sold in a retail pet store to comply with current spay and neuter laws; provided specified exemptions to the pet warranty law; and permitted an animal control officer, a humane officer, or a peace officer to enforce the pet store prohibition.

AB 2152 (Gloria, Ch. 96, Stats. 2020) went further and prohibited a pet store from selling dogs, cats, or rabbits outright. However, pet stores are allowed to provide space to display animals for adoption so long as the animals are displayed by either a shelter or animal rescue group, as defined, and establishes a fee limit, inclusive of the adoption fee, for animals adopted at a pet store.

3. Addressing new avenues for problematic sales of dogs, cats, and rabbits

The sponsors of the bill note that "[d]espite California's existing ban on retail pet sales, investigations have revealed that online platforms serve as an unchecked marketplace for commercial breeders, misleading consumers and perpetuating inhumane breeding operations. Online sellers are employing deceptive tactics, such as withholding breeder information and requiring non-refundable deposits, up to \$1,000, before providing essential details, trapping consumers in unfavorable contracts that facilitate exploitative practices and maintain the puppy mill pipeline into California." This bill seeks to shine the light on these shady practices by requiring any contract between a broker and buyer

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for the sale of a dog, cat, or rabbit to clearly identify the original source of the pet, including the breeder. Additionally, the bill requires other information, such as the record of inoculations and worming treatments and any other veterinarian treatment or medication received by the animal to be disclosed to a purchaser.

To prevent onerous deposit schemes, the bill outright bans requiring a nonrefundable deposit in connection with such transactions. The bill makes void, as against public policy, any contract that requires a nonrefundable deposit and requires the seller to refund any money to the purchaser within 30days of receiving notice that the contract is void.

The bill provides two different enforcement mechanisms. A purchaser can bring a cause of action against a person, pet dealer, or business in violation of the bill and is entitled to reasonable attorney's fees and costs. Additionally, the bill authorizes the Attorney General, a county counsel, a district attorney, a city attorney, or a city prosecutor to enforce these provisions. The bill specifically excepts from its provisions a public animal control agency or shelter, and provides that it does not limit a contract for the transfer of ownership of an animal to or by a governmental agency or the transfer of ownership of a guide, signal, or service dog, as defined in Section 54.1 of the Civil Code.

4. <u>This bill may implicate the Dormant Commerce Clause</u>

Section 8 of Article I of the United States Constitution grants the United States Congress the power to regulate interstate commerce.¹ The converse proposition – that states may not usurp Congress's express power to regulate interstate commerce – is known as the Dormant Commerce Clause – "the [Commerce] Clause also contains a further, negative command, one effectively forbidding the enforcement of certain state economic regulations even when Congress has failed to legislate on the subject."² The United States Supreme Court recently affirmed that the dormant Commerce Clause generally does not prohibit a state from regulating commerce within its borders, even if the prohibition affects out-of-state sellers, unless the prohibition acts to discriminate against out-of-state interests for the benefit of in-state commerce.³ The Court has held that "[s]tate laws that 'regulat[e] even-handedly [across all in-state and out-of-state businesses] to effectuate a legitimate local public interest...will be upheld unless the burden imposed upon such commerce is clearly excessive in relation to the putative local benefits."⁴ The bill applies its provisions equally to in-state persons, pet dealers, and businesses as to out-of-state ones, and as such should not conflict with the Dormant Commerce Clause.

¹ U.S. Const., art. I, § 8, cl. 3.

² National Pork Producers Council v. Ross (2023) 143 S.Ct. 1142, 1152 (internal quotation marks and alterations omitted).

³ *Id.* at pp. 1152-1153.

⁴ South Dakota v. Wayfair, Inc. (2018) 138 S.Ct. 2080, 2091.

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5. <u>Amendment</u>

The bill was recently amended to change the term "buyer" to "purchaser;" however, the bill continues to have one reference to "buyer." Additionally, the bill applies its provisions related to a nonrefundable deposit to a purchaser located in California, but does not similarly apply the notice provisions to a purchaser located in California. The author has agreed to make amendments to address both of these issues. The specific amendments are as follows:

Amendment⁵

Section 122226 as added to the Health and Safety Code is amended to read:

122226. A person, pet dealer, or business that sells a dog, cat, or rabbit to a purchaser *located in California* shall provide a written notice to the *buyer purchaser* or recipient of the dog, cat, or rabbit that states all of the following:

(a) The original source of the dog, cat, or rabbit, including, but not limited to:

(1) The breeder.

(2) If applicable, the United States Department of Agriculture license number associated with the breeder.

(3) The state that the dog, cat, or rabbit was born in.

(4) If any of this information is unknown, the seller shall state that this information is unknown and shall provide any related information known by the seller, seller's agents, or seller's employees. The record shall contain a statement that the information is complete and true to the best of the seller's knowledge.

(b) A record of inoculations and worming treatments administered, if any, to the dog, cat, or rabbit as of the time of sale, including dates of administration and the type of vaccine or worming treatment.

(c) A record of any veterinarian treatment or medication received by the dog, cat, or rabbit while in the possession of the person, pet dealer, or business and a statement, signed by the person, pet dealer, or business at the time of sale, containing the information required by paragraph (6) of subdivision (a) of Section 122050 relating to the dog, cat, or rabbit to be purchased.

⁵ The amendments may also include technical, nonsubstantive changes recommended by the Office of Legislative Counsel.

6. Statements in support

The sponsors of the bill, the ASPCA and the San Diego Humane Society, write:

[...] AB 506 will require sellers to disclose the original source of a dog, cat, or rabbit prior to sale, including the state of origin and USDA license number, when applicable. Additionally, it will void contracts that demand nonrefundable deposits or fail to disclose the source and will mandate the return of funds within 30 days if a contract is voided. This bill empowers consumers with clear and transparent information while preventing predatory sellers from profiting from deception and cruelty.

Additionally, by requiring this information to be available to the extent practicable for sales of dogs, cats, and rabbits in California, the State will support responsible breeding and ensure consumers have the important information needed to comfortably welcome a new pet into their home.

At a time when California's shelters are at, and in many cases over, capacity with animals in need of loving homes, it is imperative to eliminate deceptive sales that undermine adoption efforts and perpetuate unethical breeding practices. AB 506 is a necessary step toward encouraging responsible pet acquisition and protecting both animals and consumers. [...]

SUPPORT

American Society for the Prevention of Cruelty to Animals (sponsor) San Diego Humane Society (sponsor) American Kennel Club Best Friends Animal Society CalAnimals Michelson Center for Public Policy San Francisco Society for the Prevention of Cruelty to Animals Social Compassion in Legislation Valley Humane Society

OPPOSITION

None known

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RELATED LEGISLATION

Pending Legislation:

SB 312 (Umberg, 2025), among other things, revises and recasts the requirements for the submission of health certificates for dogs imported into California; requires additional information be included on a health certificate and that it be submitted to the California Department of Food and Agriculture (CDFA) instead of the county in which the dog is imported into; requires CDFA to make that information available on its website and makes a health certificate received by CDFA a public record, as specified. SB 312 is currently pending in the Assembly Appropriations Committee.

AB 519 (Berman, 2025) prohibits pet brokers, as defined, from selling, making available for sale, or adopting out a dog, cat, or rabbit to a consumer in California, subject to specified exemptions. AB 519 is currently on the Senate Floor.

Prior Legislation:

AB 2248 (Maienschein, 2024) was substantially similar to this bill. AB 2248 was held in the Senate Appropriations Committee.

AB 485 (O'Donnell, Ch. 740, Stats. 2017) See Comment 1.

AB 2152 (Gloria, Ch. 96, Stats. 2020) See Comment 1

PRIOR VOTES

Senate Business, Professions and Economic Development Committee (Ayes 9, Noes 0) Assembly Floor (Ayes 71, Noes 2) Assembly Appropriations Committee (Ayes 11, Noes 0) Assembly Business and Professions Committee (Ayes 18, Noes 0) Assembly Judiciary Committee (Ayes 12, Noes 0)