

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023

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HOUSE BILL 226

Short Title: End Predatory Pet Leasing. (Public)

Sponsors: Representatives Harris and Setzer (Primary Sponsors).

*For a complete list of sponsors, refer to the North Carolina General Assembly web site.*

Referred to: Commerce, if favorable, Judiciary 1, if favorable, Rules, Calendar, and Operations of the House

March 2, 2023

A BILL TO BE ENTITLED

AN ACT TO PROHIBIT CERTAIN LEASES, OFFERS TO LEASE, SALES, OR OFFERS TO SELL A LIVING CAT OR DOG FOR PERSONAL, FAMILY, OR HOUSEHOLD USE.

Whereas, a practice known as "pet leasing," where a customer enters into a contractual agreement requiring monthly payments in exchange for leasing a pet such as a dog, is on the rise; and

Whereas, scrutiny on this process has increased due to customers being misled into entering a pet leasing arrangement instead of a loan arrangement, being charged exorbitant fees, and either (i) not owning the pet at the end of the payment schedule despite paying in excess of the value of the pet or (ii) having the pet repossessed by the financing company upon failure to make a payment in accordance with the terms of the lease; and

Whereas, the American Kennel Club "supports a ban on predatory pet leasing schemes," stating that "[l]easing arrangements may allow a financial company to avoid regulatory oversight and consumer protection laws that protect both dogs and dog owners"; and

Whereas, three states (Nevada, New York, and California) have enacted laws restricting or prohibiting pet leasing, and three other states (Connecticut, Florida, and Rhode Island) have considered legislation that would restrict or prohibit pet leasing; and

Whereas, it is the intent of the General Assembly to protect both pets and pet owners by prohibiting the predatory practice of pet leasing; Now, therefore, The General Assembly of North Carolina enacts:

**SECTION 1.** Chapter 19A of the General Statutes is amended by adding a new Article to read:

"Article 7.

"Miscellaneous Provisions.

**§ 19A-80. Prohibition on certain leases, offers to lease, sales, and offers to sell cats and dogs.**

(a) Prohibition. – A person shall not lease, offer to lease, sell, or offer to sell any living cat or dog for personal, family, or household use if the lease, offer to lease, sale, or offer to sell includes or is subject to any provision authorizing the use of the living cat or dog as security where the living cat or dog may be repossessed by the seller or lender contingent on the purchaser making payments. For purposes of this section, "cat" means any domestic cat (*Felis domestica*) and "dog" means any domestic dog (*Canis familiaris*).

(b) The provisions of subsection (a) of this section shall not apply to any of the following:



- 1           (1)    An agreement to lease a purebred dog that is recorded with a national purebred  
2           dog registry for the sole and express purpose of breeding, pursuant to a written  
3           agreement that specifies a term of validity.
- 4           (2)    An agreement to use a dog or cat in a show, exhibition, or other spectator  
5           event, in a motion picture or other audiovisual media, or in another  
6           entertainment such as racing events, field trials, or rodeos.
- 7           (3)    An agreement relating to the training or use of a service dog, as defined by the  
8           Americans with Disabilities Act, or a dog that is a service animal as defined  
9           in G.S. 20-187.4(b).
- 10          (4)    An agreement relating to the training or use of a security dog, police or other  
11          law enforcement dog, or military working dog used by a political subdivision  
12          of North Carolina or by a business entity. For purposes of this subdivision,  
13          "business entity" shall have the meaning set forth in G.S. 55-1-40.
- 14          (c)    Penalty. – A person who violates subsection (a) of this section is guilty of a Class 2  
15          misdemeanor.
- 16          (d)    Unfair and Deceptive Trade Practice. – A violation of subsection (a) of this section  
17          shall constitute an unfair and deceptive trade practice in violation of G.S. 75-1.1.
- 18          (e)    Nullification and Voiding. – Any provision in a contract or other agreement that  
19          violates subsection (a) of this section shall be null and void.
- 20          (f)    Construction. – Nothing in subsection (a) of this section shall be construed to prohibit  
21          the purchase of a living cat or dog through an unsecured personal loan."

22                **SECTION 2.** G.S. 19A-80(d), as enacted by Section 1 of this act, becomes effective  
23          December 1, 2023, and applies to contracts or other agreements entered into on or after that date.  
24          The remainder of this act becomes effective December 1, 2023, and applies to offenses  
25          committed on or after that date.