

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

<p>1. Type of Estimate and Analysis <input type="checkbox"/> Original <input checked="" type="checkbox"/> Updated <input type="checkbox"/> Corrected</p>	<p>2. Date 10/4/2019</p>									
<p>3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable) chs. ATCP 10 and 12, CR 18-085</p>										
<p>4. Subject Animal Disease Control and Animal Movement, and Animal Markets, Dealers and Truckers</p>										
<p>5. Fund Sources Affected <input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S</p>	<p>6. Chapter 20, Stats. Appropriations Affected 20.115 (2) (a) and (2) (ha)</p>									
<p>7. Fiscal Effect of Implementing the Rule</p> <table style="width: 100%;"><tr><td><input type="checkbox"/> No Fiscal Effect</td><td><input type="checkbox"/> Increase Existing Revenues</td><td><input type="checkbox"/> Increase Costs</td></tr><tr><td><input checked="" type="checkbox"/> Indeterminate</td><td><input type="checkbox"/> Decrease Existing Revenues</td><td><input type="checkbox"/> Could Absorb Within Agency's Budget</td></tr><tr><td colspan="2"></td><td><input type="checkbox"/> Decrease Cost</td></tr></table>		<input type="checkbox"/> No Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs	<input checked="" type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Could Absorb Within Agency's Budget			<input type="checkbox"/> Decrease Cost
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<p>8. The Rule Will Impact the Following (Check All That Apply)</p> <table style="width: 100%;"><tr><td><input type="checkbox"/> State's Economy</td><td><input checked="" type="checkbox"/> Specific Businesses/Sectors</td></tr><tr><td><input type="checkbox"/> Local Government Units</td><td><input type="checkbox"/> Public Utility Rate Payers</td></tr><tr><td colspan="2"><input checked="" type="checkbox"/> Small Businesses (if checked, complete Attachment A)</td></tr></table>		<input type="checkbox"/> State's Economy	<input checked="" type="checkbox"/> Specific Businesses/Sectors	<input type="checkbox"/> Local Government Units	<input type="checkbox"/> Public Utility Rate Payers	<input checked="" type="checkbox"/> Small Businesses (if checked, complete Attachment A)				
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<input checked="" type="checkbox"/> Small Businesses (if checked, complete Attachment A)										
<p>9. Would Implementation and Compliance Costs Be Greater Than \$20 million? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>										
<p>10. Policy Problem Addressed by the Rule A majority of this rule makes minor technical changes that streamline the rule and make is simpler to interpret and apply.</p> <p>The final draft no longer includes proposed changes related to farm-raised deer enhanced fencing requirements, CWD affected county movement restrictions, registration expiration date change from March to August, or on the farm slaughter inspection and testing.</p> <p>The final draft no longer includes proposed changes related to brucellosis canis and heartworm testing and treatment requirements for dogs imported to the state.</p>										
<p>11. Summary of the businesses, business sectors, associations representing business, local governmental units, and individuals that may be affected by the proposed rule that were contacted for comments. Animal Dealers, Slaughter plants, Keepers of Farm-raised deer, WI Pork Association</p>										
<p>12. Identify the local governmental units that participated in the development of this EIA. None.</p>										
<p>13. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred) There is no fiscal impact on public utility rate payers and or to local governmental units. See the Regulatory Flexibility Analysis for more information on the fiscal effect on Animal Markets, Animal Dealers, Animal Truckers, Farm-Raised Deer Keepers, Fish Farmers, and other livestock owners.</p>										
<p>14. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule Most of this rule makes minor, technical changes that assist in making the rule simpler to interpret and apply. Not implementing the rule would leave rule overly complex and outdated in some areas.</p> <p>This rule increases the fee assessed for conducting medical separation inspections on all facilities where it is required</p>										

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

(except for fish farms, which was already at this fee level). This change more appropriately places the expense of the service on the entity receiving the service. Not implementing the rule would require those not receiving the service to continue to burden some of the cost.

15. Long Range Implications of Implementing the Rule
To protect the health and well-being of animals in this state.

16. Compare With Approaches Being Used by Federal Government
The USDA administers federal regulations related to the interstate movement of animals, particularly with respect to certain major diseases. In most cases, states regulate intrastate movement and imports into the state in relation to these major disease programs in a manner that is consistent with the federal program and enable the state entities to continue to move interstate.

Federal traceability requirements establish minimum national official identification and documentation for the traceability of livestock moving interstate. These regulations specify approved forms of official identification and documentation for each species.

17. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)
Surrounding state animal health programs are comparable to those in Wisconsin. Programs for historically important diseases, such as tuberculosis, brucellosis and CWD, in other Midwest states are similar to Wisconsin, as all are based on well-established federal standards.

18. Contact Name
Melissa Mace, Director, Bureau of Field Services

19. Contact Phone Number
608-224-4883

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ADMINISTRATIVE RULES

Fiscal Estimate & Economic Impact Analysis

ATTACHMENT A

1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

The majority of these rule modifications serve to re-organize the contents, to reflect federal requirements, or to make purely technical changes that have no fiscal effect. The rule modifications that may have an economic impact on small business and the entities that may be affected are as follows:

Animal Health Licensees (Medical Separation)

Upon the effective date of this rule, any person licensed by the division of animal health who wishes to have medical separation of species on their premises will pay \$400 for each day (or portion of a day) needed to complete the inspection by the department. Most medical separation inspections are completed within one day. However, the time needed to complete an inspection may vary depending on the number of acres and terrain to be inspected. It is unknown how many entities licensed by the division will request medical separation of their premises.

Currently there are 31 farm-raised deer herds and 3 fish farms that are medically separated. No inspection is required for renewal of an existing license if the department has previously inspected the premises, and there have been no changes. Thus, there will be no fiscal effect to licensees whose premises are currently medically separated.

Owners of Intermediate Livestock Handling Facilities

Upon the effective date of this rule, an entity that imports any livestock (not just bovine) may request certification to become an intermediate livestock handling facility and pay an annual fee of \$140. Currently, the department has approved one intermediate livestock handling facility in Wisconsin. This facility will be charged \$140 annually for certification as the review process for certification is extensive and there is continuous review of permits and monitoring of the facility throughout the year.

Johne's Disease Certified Veterinarians

Upon the effective date of this rule, veterinarians will no longer be required to recertify, after having been initially certified, for Johne's risk assessment or management plans (RAMPs) and Johne's vaccination. These veterinarians will no longer have to pay an initial fee of \$50 for these certifications. This proposal is anticipated to affect approximately 460 veterinarians.

Swine Disease Testing

Upon the effective date of this rule, swine owners and veterinarians will continue to be required to test swine for Porcine Reproductive and Respiratory Syndrome (PRRS) and Porcine Epidemic Diarrhea virus (PEDv) within 90 days prior to movement. However, swine will no longer have to be tested for other diseases that fall under the Swine Enteric Coronavirus Disease (SECD) which includes the Porcine Delta Coronavirus (PDCoV) and Transmissible Gastroenteritis (TGE).

Testing costs will likely be less because currently a multiplex test must be used to screen for PEDv, PDCoV, and TGE. The proposed rule will require only a test for PEDv, so a multiplex test will no longer be necessary. The cost difference between requiring the use of a multiplex versus a single PEDv test is unknown. Also, costs relating to the development of herd plans for swine that test positive for PDCoV will decline. The costs associated with developing a herd plan will vary greatly depending on the location of the swine herd within the state, the type of farm operation, the number of swine in the herd, the amount of time it takes to write the plan, and veterinarian fees. Thus, these costs are indeterminate.

Since the time that the rule became effective on February 1, 2018, 32 herd plans have been developed by veterinarians.

ADMINISTRATIVE RULES

Fiscal Estimate & Economic Impact Analysis

Of that total, 16 plans were developed because of PRRS positive swine, and 6 plans were developed because swine were not tested or were anticipating movement. The 10 remaining herd plans were developed because of SECD positive cases. All were due to weak positives for PDCoV. Thus far, the department has not received notice of a positive PEDv herd.

The pigs that have tested positive for PDCoV were not ill and had not shown clinical signs, according to the private practitioners who were involved. It has been found that birds carry their own Delta Corona viruses that can interfere/cross-react with the swine tests. There is not a cost effective or reasonable test that would enable producers to differentiate between the avian and porcine viruses. While destructive, PDCoV is not as devastating as PEDv.

Poultry Producers

Upon the effective date of this rule, only poultry and eggs exhibited at fairs or poultry shows (rather than those used for breeding, hatching, and exhibitions such as egg swap meets) must be acquired directly from a certified flock (namely a flock enrolled in the national poultry improvement plan, a Wisconsin tested flock, or a Wisconsin associate flock) or be an individual bird tested for certain diseases.

The antigen used to conduct individual bird testing costs \$200. One bottle of antigen can test up to 1,000 birds. The cost is the same whether testing one bird or 1,000 birds. The proposed rule will reduce or eliminate testing costs for hundreds of poultry producers who attend swap meets or breed or hatch birds.

Farm-Raised Deer Keepers

Farm-Raised Deer and Bovine Animals on the Same Premises. Upon the effective date of this rule, there will be options to allow farm-raised deer and bovine animals to be kept on the same premises without having to send them all to slaughter. Any costs associated with these options are voluntary as the owner of the premises may choose not to keep these two species on the same premises and the owner who chooses to keep both species on the premises may send all to slaughter. For those who choose to move these animals to a place other than slaughter, the rule provides the following options:

- The herds of both species are medically separated. Costs related to medical separation are discussed above.
- The herds of both species are certified by the department as accredited Tuberculosis-free. Tuberculosis-free certification costs include:
 - o For farm-raised deer, there will be no additional cost as currently deer must meet Tuberculosis testing requirements (in addition to other requirements) prior to movement.
 - o For a herd of bovine animals, \$100 for a 2-year Tuberculosis-free certification. All animals in the herd must be tested for Tuberculosis every 2 years. The cost to conduct a whole-herd test will vary depending on a veterinarian's fee, location of the herd, and the number of animals to be tested. Department staff contacted 4 veterinarians in different areas of the state regarding fees charged to conduct Tuberculosis testing. Fees varied greatly in amount and structure. For instance, one clinic charges \$140 per hour regardless of the number of animals to be tested, another charges a \$32 trip fee and \$4 per head of cattle, while other providers varied on the amount charged per trip and the amount charged per head.
- The herds of both species meet the testing requirements to become a Tuberculosis-qualified herd, and the animal to be moved has been classified negative to an official Tuberculosis test that was conducted prior to the date of movement (90 days for farm-raised deer and 60 days for bovine animals).

Herds do not have to be certified as Tuberculosis-qualified, but they must meet testing requirements to become a Tuberculosis-qualified herd. Whole herd testing is effective for 365 days. An individual Tuberculosis test must be conducted for the animal that is leaving the herd unless the herd test was conducted prior to the date of movement (within 90 days for farm-raised deer, and 60 days for bovine). Tuberculosis-qualified costs include:

- o For farm-raised deer, there will be no additional cost as currently deer must meet Tuberculosis testing requirements

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

(in addition to other requirements) prior to movement.

o For a herd of bovine animals, all animals in the herd must be tested. The cost to conduct a whole-herd test will vary depending on a veterinarian's fee, location of the herd, and the number of animals to be tested. The cost for a Tuberculosis test to be conducted for an individual bovine animal will also vary depending on when the whole-herd test was conducted, the veterinarian's fee and location of the herd. As indicated above, costs for Tuberculosis testing can vary widely.

Fairs and Exhibitions

Upon the effective date of this rule, fairs and exhibitions will be responsible for checking exhibitor information rather than hired veterinarians. This will most likely reduce costs to fairs and exhibitions as their staff may now check for exhibitor and movement information, rather than paying a veterinarian to do so.

It is not known how much fairs or exhibitions pay for veterinarians nor how much time veterinarians spend on checking this information on behalf of fairs or exhibitions. Thus, these anticipated cost savings to fairs and exhibitions are indeterminate.

2. Summary of the data sources used to measure the Rule's impact on Small Businesses
Fee changes were analyzed in comparison to the number of affected entities.

3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
- Less Stringent Schedules or Deadlines for Compliance or Reporting
- Consolidation or Simplification of Reporting Requirements
- Establishment of performance standards in lieu of Design or Operational Standards
- Exemption of Small Businesses from some or all requirements
- Other, describe:

Most, if not all, of the businesses affected by this rule are "small businesses." This rule does not make special exceptions for small business, because disease does not differentiate or respect business size.

4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses
N/A

5. Describe the Rule's Enforcement Provisions

Civil and criminal enforcement provisions are specified under s. 95.99, Wis. Stats. These provision allow for the division to recommend to a DA civil or criminal penalty, with first offenses fines may not to exceed \$1000, and first offense forfeitures not be less than \$200 or more than \$5000.

Administrative provision under s. 93.06(7) allow the department to deny, suspend or revoke licenses and 93.06(8) allows for the department to prescribe conditions of licenses, for cause

6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

- Yes No
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