

Assembly Hearing Slip

(Please print plainly)

Date: 3/17/99
Bill No. 98-152
Or
Subject Publ

Sheila Graham
(Name)
2811 Ag Ave
(Street Address or Route Number)
Madison WI 53
(City & Zip Code)

Dept. of Agric, Trade + CP
(Representing)
Asst. Adm. - Div. of Health
Agency

- Speaking *in favor*:
- Speaking *against*:
- Registering *in favor*:
- Registering *against*:
- Speaking for *information only*:
- Neither for nor *against*:

Please return this slip to a messenger promptly.

Assembly Sergeant at Arms
Room 411 West
State Capitol
Madison, WI 53702

98-152

Lynn Jarzombek
Analyst, DATCP

**PROPOSED ORDER OF THE STATE OF WISCONSIN
DEPARTMENT OF AGRICULTURE, TRADE AND CONSUMER PROTECTION
ADOPTING RULES**

1

2 The state of Wisconsin department of agriculture, trade and consumer protection proposes
3 the following order to repeal ATCP 10.652 (2)(b) and (4)(f); to renumber and amend
4 ATCP 10.652(2)(a) 12.03 (2m)(c) second occurrence, 12.03(2m)(d) and 12.04 (2m)(c)
5 second occurrence and 12.04(2m)(d); to amend ATCP 10.652(4)(intro), 11.14(2), 12.02
6 (2m)(a) and (b), 12.03 (2m)(a) and (b), and 12.04 (2m)(a) and (b); to repeal and recreate
7 ATCP 10.652 (5); and to create ATCP 11.02 (2m); relating to licensing fees charged to
8 livestock markets, livestock dealers, and livestock truckers, registration fees charged to
9 the keepers of farm-raised deer, fees charged for a permit to operate an approved feedlot,
10 and the fee charged to an accredited veterinarian when the veterinarian obtains, from the
11 department of agriculture, trade and consumer protection, forms to be used in issuing
12 interstate health certificates or certificates of veterinary inspection.

**Analysis Prepared by the Department of Agriculture,
Trade and Consumer Protection**

Statutory authority: ss. 93.06 (1g), 93.07(1), 95.55(3), 95.68(8), 95.69(8),
95.71(8), and 95.715(2)(d), Wis. Stats.

Statutes interpreted: ss. 93.06(1g), 95.55(3), 95.68(4), 95.69(4),
95.71(5), and 95.715(2)(a), Wis. Stats.

This rule changes the fees charged for obtaining a livestock market license, a livestock dealer license, a livestock trucker license, a livestock vehicle registration, an approved

feedlot permit and forms to be used by accredited veterinarians for interstate health certificates or certificates of veterinary inspection. It also removes the provisions in current rules which eliminate the registration fee for farm-raised deer after December 31, 1998, and which exempt owners of certified accredited tuberculosis-free farm-raised deer herds from paying registration fees. In each instance the statutes either direct the department to establish fees by rule, or establish a fee which will apply unless the department specifies a different fee by rule.

Farm-Raised Deer Registrations

Under s. 95.55(3), Wis. Stats., the department is required to specify, by rule, the fee for registration for a person keeping farm-raised deer. The current rule, s. ATCP 10.652(5)(a), Wis. Admin. Code, establishes a fee of \$50 if the person keeps no more than 15 farm-raised deer. If the person keeps more than 15 farm-raised deer, the fee is \$100. The current rule indicates that these fees do not apply after December 31, 1998, and they do not apply if the herd is certified as an accredited tuberculosis-free herd by the department. In addition, a person who holds a valid registration on December 31, 1998, is not required to apply for annual renewal of the registration, rather the registration remains in effect until suspended or revoked by the department.

Under this proposed rule, the fee of \$50 for a person who keeps no more than 15 farm-raised deer and \$100 for a person who keeps more than 15 farm-raised deer is unchanged. However, the exemption from payment of the fee after December 31, 1998, and the exemption from payment of the fee if the herd is certified as an accredited tuberculosis-free herd are removed. People who keep farm-raised deer will be required to register and pay the fee annually. The department needs to continue collecting these fees to enable the department to continue to assist the industry in disease control efforts, and to protect the dairy industry from diseases which might be transmitted from farm-raised deer to dairy cattle.

Livestock Market Licenses

Livestock market license fees are currently established by s. 95.68(4), Wis. Stats., and s. ATCP 12.02(2m), Wis. Admin. Code. A livestock market, other than an equine market, which holds 5 or more sales per year is required to pay an annual fee of \$150. A livestock market, other than an equine market, which holds fewer than 5 sales per year is required to pay an annual fee of \$75. An equine market is required to pay an annual fee of \$100. In addition, the holder of a livestock market license is required to pay an annual fee of \$5 for each livestock vehicle registered by the livestock market licensee. The statute authorizes the department to change these fees by rule.

Under this proposed rule, the annual fee for a livestock market, other than an equine market, which holds 5 or more sales in a year is \$225. The annual fee for a livestock market, other than an equine market, which holds fewer than 5 sales in a year is \$115.

The annual fee for an equine market is \$150. The annual fee to register each livestock vehicle is \$10.

The department needs this fee increase to permit it to continue its efforts to control the potential spread of animal disease through the marketing system.

Livestock Dealer Licenses

Livestock dealer license fees are currently established by s. 95.69(4), Wis. Stats., and s. ATCP 12.03(2m), Wis. Admin. Code. Under these provisions, a livestock dealer pays an annual fee of \$75 for the license and an annual fee of \$5 for each livestock vehicle registered. The statute authorizes the department to change these fees by rule.

Under this proposed rule, the livestock dealer will be required to pay an annual license fee of \$115 for the license and an annual fee of \$10 for each livestock vehicle registered.

The department needs this fee increase to permit it to continue its efforts to control the potential spread of animal disease through the dealers' operations. It particularly needs this to enable it to conduct random records checks among dealers to assure that the department will be able to use dealer records to complete a traceback of all animals which have been in contact with an animal that has been identified as an animal infected with serious contagious diseases like tuberculosis or brucellosis.

Livestock Trucker Licenses

Livestock trucker license fees are currently established by s. 95.71(5), Wis. Stats., and s. ATCP 12.04(2m), Wis. Admin. Code. Under these provisions a livestock trucker pays an annual fee of \$20 for the license and an annual registration fee of \$5 for each livestock vehicle registered. The statute specifically authorizes the department to change these fees by rule.

Under this proposed rule, the livestock trucker would be required to pay an annual license fee of \$30 and an annual registration fee of \$10 for each livestock vehicle registered.

The department needs this fee increase to permit it to monitor trucker activities to assure they handle animals humanely and maintain records which may play a crucial role in the traceback of disease should the need arise.

Approved Feedlot Permits

The current approved feedlot permit fee is established by s. ATCP 11.14(2), Wis. Admin. Code, under the authority of s. 95.715(2)(d), Wis. Stats. The person holding or seeking an approved feedlot permit pays an annual fee of \$50.

Under this proposed rule, the permit fee for an approved feedlot would be \$75.

The department needs this fee increase to permit it to continue its efforts to assure that no disease is introduced to Wisconsin's animal industry from animals imported to or kept in an approved feedlot.

Interstate Health Certificate Forms

Under s. 93.06(1g), Wis. Stats., the department may furnish veterinarians with forms which are to be used by them to issue interstate health certificates or certificates of veterinary inspection. The statute provides that the charge for these blank forms will be \$2 unless the department specifies a different fee by rule.

Under this rule, the fee for forms to be used for interstate health certificates or certificates of veterinary inspection will be \$3 per form.

The department needs this fee increase to offset the increased cost of monitoring the interstate shipment of animals.

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SECTION 1. ATCP 10.652(2)(a) is renumbered ATCP 10.652(2) and amended

4

to read:

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ATCP 10.652(2) REGISTRATION CERTIFICATE EXPIRES. ~~(a) Except as~~

6

~~provided under par. (b),~~ a A registration certificate under sub. (1) expires on December 31

7

each year. The holder of a registration certificate may renew that certificate by

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submitting an annual renewal application under sub. (4).

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SECTION 2. ATCP 10.652(2)(b) and (4)(f) are repealed.

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SECTION 3. ATCP 10.652(4)(intro) is amended to read:

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ATCP 10.652(4) APPLYING FOR REGISTRATION CERTIFICATE. To obtain

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or renew a registration certificate, a person keeping farm-raised deer shall file a

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registration application on a form provided by the department. The application shall be

1 accompanied by the fee, ~~if any~~, that is required under sub. (5). The application form shall
2 include all of the following information:

3 **SECTION 4.** ATCP 10.652(5) is repealed and recreated to read:

4 ATCP 10.652(5) FEES. A person applying for a registration certificate shall pay
5 the following annual registration fee:

6 (a) \$50 if the person keeps no more than 15 farm-raised deer at the locations
7 covered by the certificate.

8 (b) \$100 if the person keeps more than 15 farm-raised deer at the locations
9 covered by the certificate.

10 NOTE: Under s. 93.21(5)(b), Stats., a person who files an application for the
11 renewal or reissuance of a registration certificate after the registration certificate has
12 expired must pay, in addition to the fee prescribed under sub. (5), an additional fee equal
13 to 20 percent of this fee.
14

15 **SECTION 5.** ATCP 11.02(2m) is created to read:

16 ATCP 11.02(2m) OBTAINING FORM FOR INTERSTATE HEALTH
17 CERTIFICATE OR CERTIFICATE OF VETERINARY INSPECTION. An accredited
18 veterinarian in the state of Wisconsin may obtain forms to be used to provide an interstate
19 health certificate or certificate of veterinary inspection from the department. A fee of \$3
20 will be charged for each form provided.

21 NOTE: Accredited veterinarians may pay the fee and obtain the forms by
22 contacting the department at the following address:
23

24 Wisconsin Department of Agriculture, Trade and Consumer Protection
25 Wisconsin Animal Health Laboratory
26 6101 Mineral Point Road
27 Madison, WI 53705-4494
28 Phone: (608) 266-2465, (800) 608-8387
29 Fax: (608) 267-0636

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SECTION 6. ATCP 11.14(2) is amended to read:

ATCP 11.14(2) PERMIT APPLICATION. To obtain an approved feedlot permit, a feedlot operator shall submit an application on a form provided by the department. The application shall identify the location of the feedlot by county, township and section, and shall include other relevant information required by the department. The application shall be accompanied by a fee of ~~\$50~~ \$75. The department shall grant or deny a permit application within 30 days after a complete application is filed with the department.

SECTION 7. ATCP 12.02(2m)(a) and (b) are amended to read:

ATCP 12.02(2m) LICENSE FEES. (a) A livestock market operator shall pay a basic annual license fee as follows:

1. For a livestock market, other than an equine market, that has conducted sales on 5 or more days during the year immediately preceding the year for which the license is issued, a fee of ~~\$150~~ \$225.

2. For a livestock market, other than an equine market, that has conducted sales on fewer than 5 days during the year immediately preceding the year for which the license is issued, a fee of ~~\$75~~ \$115.

3. For an equine market, a fee of ~~\$100~~ \$150.

(b) A livestock market operator shall pay, in addition to the basic license fee under par. (a), a supplementary annual license fee of ~~\$5~~ \$10 for each livestock vehicle registered by the livestock market operator under sub. (2r).

SECTION 8. ATCP 12.03(2m)(a) and (b) are amended to read:

1 ATCP 12.03(2m) LICENSE FEES. (a) A livestock dealer shall pay a basic
2 annual license fee of ~~\$75~~ \$115.

3 (b) A livestock dealer shall pay, in addition to the basic license fee under par. (a),
4 a supplementary annual license fee of ~~\$5~~ \$10 for each livestock vehicle registered by that
5 livestock dealer under sub. (2r).

6 **SECTION 9.** ATCP 12.03(2m)(c) second occurrence is renumbered ATCP
7 12.04(2m)(d) and amended to read:

8 ATCP 12.03(2m)(d) If a livestock dealer is required to pay a surcharge under par.
9 ~~(b)~~ (c), that livestock dealer shall also pay any fees that are due for the year in which that
10 livestock dealer violated sub. (1) or (2r).

11 **SECTION 10.** ATCP 12.03(2m)(d) is renumbered ATCP 12.03(2m)(e) and
12 amended to read:

13 ATCP 12.03(2m)(e) Payment of a surcharge under par. ~~(b)~~ (c) or fees under par.
14 ~~(e)~~ (d) does not relieve a livestock dealer of other civil or criminal liability that may result
15 from a violation of sub. (1) or (2r), nor does it constitute evidence of a violation.

16 **SECTION 11.** ATCP 12.04(2m)(a) and (b) are amended to read:

17 ATCP 12.04(2m) LICENSE FEES. (a) A livestock trucker shall pay a basic
18 annual license fee of ~~\$20~~ \$30.

19 (b) A livestock trucker shall pay, in addition to the basic license fee under par.
20 (a), a supplementary annual license fee of ~~\$5~~ \$10 for each livestock vehicle registered by
21 the livestock trucker under sub. (2r).

22 **SECTION 12.** ATCP 12.04(2m)(c) second occurrence is renumbered ATCP
23 12.04(2m)(d) and amended to read:

1 ATCP 12.04(2m)(d) If a livestock trucker is required to pay a surcharge under par.
2 ~~(b)~~ (c), that livestock trucker shall also pay any fees that are due for the year in which that
3 livestock trucker violated sub. (1) or (2r).

4 **SECTION 13.** ATCP 12.04(2m)(d) is renumbered ATCP 12.04(2m)(e) and
5 amended to read:

6 ATCP 12.04(2m)(e) Payment of a surcharge under par. ~~(b)~~ (c) or fees under par.
7 ~~(e)~~ (d) does not relieve a livestock trucker of other civil or criminal liability that may
8 result from a violation of sub. (1) or (2r), nor does it constitute evidence of a violation.

9 **EFFECTIVE DATE:** The rules contained in this order shall take effect on the
10 first day of the month following publication in the Wisconsin administrative register, as
11 provided in s. 227.22(2)(intro.), Wis. Stats.

Dated this _____ day of _____, 19_____.

STATE OF WISCONSIN DEPARTMENT
OF AGRICULTURE, TRADE AND
CONSUMER PROTECTION

By _____
Ben Brancel, Secretary

FISCAL ESTIMATE

LRB or Bill No. / Adm. Rule No.

ATCP 10, 11, 12

Amendment No. (If Applicable)

DOA-2048 (R 10/94)

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

Subject
Animal Health Fees

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation

- Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

Increase Costs - May be possible to Absorb Within Agency's Budget Yes No

Decrease Costs

Local: No local government costs

1. Increase Costs
 Permissive Mandatory
 2. Decrease Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory
 4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Governmental Unit Affected:

- Towns Villages Cities
 Counties Others _____
 School Districts WTCS Districts

Fund Source Affected

- GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

20.115 (2)(ha)

Assumptions Used in Arriving at Fiscal Estimate

This rule will increase program revenues for the department's animal health programs. The increase in revenues is needed to maintain services at existing program levels.

The department proposes to increase:

- Livestock market, dealer and trucker basic and supplementary annual license fees.
- Approved feedlot permit fees.
- Interstate health certificate form fees.

The department also proposes to continue registration fees for farm-raised deer. Presently, these fees do not apply after December 31, 1998.

Statutory authority exists for all of these fees and the department may specify the fee amounts by rule.

Wisconsin's animal health programs are funded by general purpose revenues (GPR) and program revenues (PR). For 1998-99, program revenues supported 17% of program costs. Program costs have increased due to new statutorily assigned regulatory responsibilities, GPR cutbacks and inflationary increases. Livestock market, dealer and trucker license fees last increased in 1994. These licenses are expected to decline in number in the future due to the declining number of Wisconsin farms, resulting in reduced revenues for the department. The feedlot permit fee and the interstate health certificate form fee were established in 1993. Without these fee adjustments, the department will approach a deficit in 1999-00 in its animal health programs.

Long - Range Fiscal Implications

Agency/prepared by: (Name & Phone No.)

DATCP
Lynn Jarzombek (608) 224-4883

Authorized Signature/Telephone No.

Barbara Knapp
Barbara Knapp (608) 224-4746

Date

9/4/98

FISCAL ESTIMATE WORKSHEET

1997 SESSION

Detailed Estimate of Annual Fiscal Effect
DOA-2047 (R10/94)

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB or Bill No/Adm.Rule No.
ATCP 10, 11, 12

Amendment No.

Subject Animal Health Fees		
I. One-time Cost or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):		
II. Annualized Cost:		Annualized Fiscal Impact on State funds from:
A. State Costs by Category	Increased Costs	Decreased Costs
State Operations - Salaries and Fringes	\$ -	\$ -
(FTE Position Changes)	(FTE)	(- FTE)
State Operations - Other Costs	-	-
Local Assistance		-
Aids to Individuals or Organizations		-
TOTAL State Costs by Category	\$ -	\$ -
B. State Costs by Source of Funds	Increased Costs	Decreased Costs
GPR	\$ -	\$ -
FED		-
PRO/PRS	-	-
SEG/SEG-S		-
III. State Revenues - <small>Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</small>	Increased Rev.	Decreased Rev.
GPR Taxes	\$ -	\$ -
GPR Earned		-
FED		-
PRO/PRS	91,000	-
SEG/SEG-S		-
TOTAL State Revenues	\$ -	\$ -

NET ANNUALIZED FISCAL IMPACT

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	\$ _____	\$ _____
NET CHANGE IN REVENUES	\$ <u>91,000</u>	\$ _____

Agency Prepared by: (Name & Phone No.) DATCP Lynn Jarzombeck (608) 224-4883	Authorized Signature/Telephone No. <i>Barbara Knapp</i> Barbara Knapp (608) 224-4746	Date 9/4/98
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Final Regulatory Flexibility Analysis

General Overview

This rule changes the fee charged for a livestock market license, a livestock dealer license, a livestock trucker license, a livestock vehicle registration, an approved feedlot permit and an interstate health certificate or certificate of veterinary inspection form. This rule also continues the annual registration process for farm-raised deer which is set to expire after December 31, 1998, and eliminates any farm-raised deer registration fee exemptions.

This rule will affect small businesses in Wisconsin. It includes provisions which relate to small businesses engaged in livestock activities such as marketing, dealing, trucking and feedlot raising, veterinary services and the farming of farm-raised deer.

Livestock Market, Dealer and Trucker Licenses and Approved Feedlot Permits

Wisconsin statutes require a person operating a livestock market or operating as a livestock dealer or livestock trucker to be licensed by the Department of Agriculture, Trade and Consumer Protection. Additionally, any livestock vehicles used by the person to transport livestock in the state must also be registered by the department. Wisconsin statutes also authorize the department to issue approved feedlot permits. The department has statutory authority to set fees for these licenses and permits by rule.

This rule changes the fee for a basic annual license as follows:

For a livestock market operator:

For a market, other than an equine market, conducting sales on 5 or more days a year, the fee changes from \$150 to \$225.

For a market, other than an equine market, conducting sales on fewer than 5 days a year, the fee changes from \$75 to \$115.

For an equine market, the fee changes from \$100 to \$150.

For a livestock dealer:

The fee changes from \$75 to \$115.

For a livestock trucker:

The fee changes from \$20 to \$30.

This rule changes the fee that a livestock market operator, livestock dealer and livestock trucker must pay for a supplementary annual license for each livestock vehicle registered from \$5 to \$10. This rule also changes the fee that a feedlot operator must pay for an approved feedlot permit from \$50 to \$75.

Many small businesses involved in livestock activities across Wisconsin will be affected by these fee increases. Presently, 62 basic annual livestock market licenses, 457 basic annual livestock dealer licenses, 486 basic annual livestock trucker licenses and 50 approved feedlot permits are issued along with 3,359 supplementary annual licenses for registered livestock vehicles. The department does not have adequate information to allow it to determine how many of these businesses fit the definition of small businesses. The department assumes that a significant number of these businesses are properly classified small businesses.

These small businesses will experience an increase in the cost of obtaining licenses, permits or certificates related to their business. The actual dollars of the increases vary from \$5 for livestock vehicles to \$75 for livestock market operators who conduct more than 5 sales per year. The benefit to these businesses of having the department provide services designed to assure the health of animals in Wisconsin animal agriculture far outweighs the amount of additional fees which each business will pay.

The regulatory work performed by the department is essential to the control of animal diseases in the state thus creating a viable environment for these small businesses to operate in. The department enforces requirements designed to prevent the introduction of diseased animals, conducts surveillance programs designed to detect diseases and takes steps to control outbreaks of contagious diseases. These department services help to ensure healthy livestock and a strong continuing animal agriculture industry for the state.

There are no requirements in this rule relating to recordkeeping or reporting information to the department.

Interstate Health Certificate Forms

The department presently furnishes veterinarians in the state with forms which are used by them to issue interstate health certificates or certificates of veterinary inspection. The current fee for a form is \$2.

This rule changes the form fee from \$2 to \$3.

All veterinary services in the state that issue interstate health certificate forms will be affected by this fee increase. Health certificates are prepared for the movement of animals. Approximately 28,000 health certificate forms are sold by the department each year. This fee increase will increase the operating costs of these veterinary services in direct proportion to the number of health certificate forms they issue.

Interstate health certificates serve as a mechanism to regulate the animal industries of the state. They guarantee the movement of healthy animals, thus providing protection to the animal owners of the state and reducing any public health risk. This fee increase supports the department's continuing efforts to ensure the health of the animals in the state resulting in savings in the future for the Wisconsin animal owner.

This rule does not add any recording keeping or reporting requirements to small businesses.

Farm-Raised Deer Registrations

A person keeping farm-raised deer is presently required to annually register with the department. The department sets fees for registration by rule. Current fees are:

\$50, for 15 or fewer farm-raised deer.

\$100, for more than 15 farm-raised deer.

\$0, if the herd of farm-raised deer is certified by the department as an accredited tuberculosis-free herd.

Current fees and the requirement to annually register (renew) are set to sunset, or end, on December 31, 1998.

This rule eliminates the sunset provision scheduled to take effect on December 31, 1998. Fees at their current level would continue except that the exemption for an accredited tuberculosis-free herd will be removed. All farm-raised deer owners would be required to register annually and pay the applicable fee.

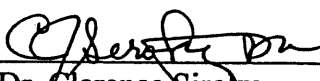
Approximately 280 farm-raised deer farms exist that would be impacted by this rule change. These farmers have paid annual registration fees up through and including 1998. This rule would not change or increase the fees which they have paid. It would increase their anticipated costs of doing business because it requires payment of a fee which the farmers expected to be sunset at the end of 1998. A small number of these farmers, less than 30, presently pay no fee since they have herds certified as accredited tuberculosis-free herds by the department. These farmers would experience an increase in annual costs since they would now be required to pay a registration fee.

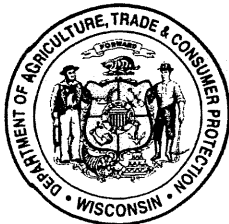
Whether or not a fee is applicable, all farm-raised deer farmers presently are required to complete an annual registration application. Under the current rule, the requirement to file an annual registration application would sunset at the end of 1998. Therefore, there is a minimal additional requirement of requiring these businesses to continue to file the application form which they have previously filed. This form is very short and does not require extensive time or effort to complete.

The department has incurred substantial costs in responding to the needs of the farm-raised deer industry to date. Continuation of farm-raised deer registration fees will help to maintain essential program work. The recent state cervidae tuberculosis outbreaks signify the necessity of an animal health program for deer and elk. The growth and prosperity of the industry is dependent upon healthy stock. The benefit to the industry of having this department work continued exceeds the costs incurred to comply with this rule.

Dated this 22nd day of December, 1998.

STATE OF WISCONSIN
DEPARTMENT OF AGRICULTURE,
TRADE AND CONSUMER PROTECTION

By  _____
Dr. Clarence Siroky
Administrator, Animal Health Division



State of Wisconsin
Tommy G. Thompson, Governor

Department of Agriculture, Trade and Consumer Protection
Ben Brancel, Secretary



DATE: February 5, 1999

TO: The Honorable Fred Risser
President, Wisconsin State Senate
Room 220 South, State Capitol
Madison, WI 57303

The Honorable Scott Jensen
Speaker, Wisconsin State Assembly
Room 211 North, State Capitol
Madison, WI 57303

FROM: Ben Brancel, Secretary
Department of Agriculture, Trade and
Consumer Protection

SUBJECT: Proposed Rules Relating to Animal Health Fees
(Clearinghouse Rule 98-152)

Pursuant to ss. 227.19(2) and (3), Stats., the Department of Agriculture, Trade and Consumer Protection hereby transmits the above rules for legislative committee review. We are enclosing three copies of the final draft rule, together with the following report. Pursuant to s. 227.19(2), Stats., the department will publish a notice of this referral in the Wisconsin Administrative Register.

Background

This rule implements several statutory provisions which either permit or require the department to establish fees by rule. The fees affected by this rule are the following:

- Farm-raised deer registration
- Livestock market license
- Livestock dealer license
- Livestock trucker license
- Approved feedlot permit
- Interstate health certificate form

Farm-Raised Deer Registration Fees

Under s. 95.55, Stats., a person who keeps farm-raised deer must register with the department and pay a registration fee. The statute requires the department to specify the registration fee by rule. The current rule, s. ATCP 10.652(5)(a), Wis. Adm. Code, establishes an annual registration fee of \$50 if the person keeps no more than 15 farm-raised deer, and \$100 if the person keeps more than 15 farm-raised deer.

The current fee does not apply if the department certifies the herd as an accredited tuberculosis-free herd. The current rule requires annual registrations through 1998. But after 1998, a registration remains in effect indefinitely, unless suspended or revoked. Under the current rule, there is no registration fee after December 31, 1998.

This rule retains the current annual registration fee of \$50 for a person who keeps no more than 15 farm-raised deer, and \$100 for a person who keeps more than 15 farm-raised deer. However, this rule requires herd owners to continue registering their herds annually after 1998. It also eliminates the current fee exemption for accredited tuberculosis-free herds. Under this rule, all persons who keep farm-raised deer must register annually and pay the required annual registration fee.

Fee revenues will make it possible for the department to continue its cooperative disease control programs with the deer industry, and will help protect the dairy and livestock industries from diseases that might be transmitted from farm-raised deer to livestock.

Livestock Market License Fees

The Legislature and the department have established current livestock market license fees under s. 95.68(4), Stats., and s. ATCP 12.02(2m), Wis. Adm. Code. A livestock market (other than an equine market) currently pays an annual fee of \$150 if it holds 5 or more sales per year, and \$75 if it holds fewer than 5 sales per year. An equine market must pay an annual fee of \$100. A livestock market operator must also pay an annual fee of \$5 for each livestock vehicle registered by the market operator. The statute authorizes the department to change these fees by rule.

This rule changes the annual license fees for livestock markets. Under this rule, a livestock market (other than an equine market) will be required to pay an annual license fee of \$225 if it holds 5 or more sales per year, and \$115 if it holds fewer than 5 sales per year. An equine market will be required to pay an annual fee of \$150. A livestock market operator will also be required to pay an annual fee of \$10 for each registered livestock vehicle.

Hearing Testimony

Prior to the public hearings on this rule, the department provided extensive notice of the proposed fee increases:

- In August, 1998, the department notified more than 1,100 people of the proposed fee increases. This included notice to all licensed livestock market operators, livestock dealers, livestock truckers, "approved feedlot" operators and other interested persons.
- In October, 1998, the department notified all registered farm-raised deer owners (more than 275 persons).
- The department also notified the Wisconsin Veterinary Medical Association of the proposed fee increase for interstate health certificate forms.

The department held 3 hearings on November 16-18, 1998, in Madison, Eau Claire and Green Bay. The department also accepted written comments for the hearing record until November 30, 1998. Hearing testimony is summarized as follows:

Testifying in favor of the proposal:

- Norbert Brandt, Wisconsin Independent Livestock Dealers and Auction Markets, Eagle River, WI.

Testifying in opposition to the proposal:

- Jerry Gunlach, deer owner, Oregon, WI.
- Mary Popple, deer owner, Chippewa Falls, WI.
- Robert Popple, deer owner, Chippewa Falls, WI.
- Mike Welch, deer owner, Independence, WI.

Registering in opposition to the proposal:

- Carol Graff, Split Rail Fallow Deer, Whitelaw, WI
- Linda Welch, deer owner, Independence, WI
- Ray Hanson, deer owner, Chetek, WI

Registering neither for nor against the proposal:

- Ellen Hooker, DATCP, Waupun, WI
- Jim McCready, DATCP, Eden, WI
- Cindy Partridge, DATCP, McFarland, WI

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Other comments:

One person attended the hearings but did not register or speak. Five persons submitted written comments for the hearing record:

- One farm-raised deer owner wrote in support.
- Three farm-raised deer owners wrote in opposition (one on behalf of the Wisconsin Commercial Deer and Elk Farmers Association).
- One out-of-state livestock trucker wrote in opposition.

Following its August, 1998 notice to the industry (and prior to the public hearings), the department received 7 written responses opposing the fee increases. One response was a form letter signed by 24 persons.

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This fee increase will make it possible for the department to continue its livestock market disease control programs.

Livestock Dealer License Fees

The Legislature and the department have established current livestock dealer license fees under s. 95.69(4), Stats., and s. ATCP 12.03(2m), Wis. Adm. Code. A livestock dealer currently pays an annual license fee of \$75, plus an annual fee of \$5 for each registered livestock vehicle. The statute authorizes the department to change these fees by rule.

This rule changes the annual license fees for livestock dealers. Under this rule, a livestock dealer will be required to pay an annual license fee of \$115, plus an annual fee of \$10 for each registered livestock vehicle.

This fee increase will make it possible for the department to continue its disease control programs related to livestock dealers. Among other things, it will help the department ensure that dealer records are adequate to trace the source of serious disease outbreaks, such as tuberculosis or brucellosis.

Livestock Trucker License Fees

The Legislature and the department have established current livestock trucker license fees under s. 95.71(5), Stats., and s. ATCP 12.04(2m), Wis. Adm. Code. A livestock trucker currently pays an annual fee of \$20, plus an annual fee of \$5 for each registered livestock vehicle. The statute authorizes the department to change these fees by rule.

This rule changes the annual license fees for livestock truckers. Under this rule, a livestock trucker will be required to pay an annual license fee of \$30, plus an annual fee of \$10 for each registered livestock vehicle.

This fee increase will make it possible for the department to monitor livestock trucker compliance with disease control and humane laws. It will also help ensure that trucker records are adequate to trace the source of serious disease outbreaks.

"Approved Feedlot" Permit Fees

The department is currently authorized to issue permits for "approved feedlots" under s. 95.715, Stats. Livestock imported to an "approved feedlot" are exempt from certain import testing requirements that would otherwise apply. Animals may not be removed from an "approved feedlot" except to slaughter.

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The Legislature, under s. 95.715(2)(d), Stats., has authorized the department to establish fees for "approved feedlots." The department, under s. ATCP 11.14(2), Wis. Adm. Code, has established a current annual fee of \$50. This rule increases the annual fee to \$75. This fee increase will help the department continue its disease import control programs.

Interstate Health Certificate Forms; Fees

Under s. 93.06(1g), Stats., the department may furnish veterinarians with forms which the veterinarians use to issue interstate health certificates or certificates of veterinary inspection. The statute requires the department to charge \$2 for each form unless the department specifies a different fee by rule. This rule increases the fee to \$3 per form.

This fee increase will make it possible for the department to continue its disease control monitoring of interstate shipments. The department monitors interstate shipments in cooperation with other states and USDA.

Rule Modifications After Public Hearings

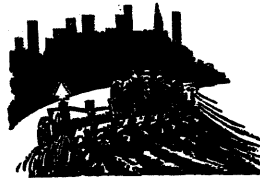
The department made no substantive changes to the final draft rule. The department made technical drafting changes in response to comments from the Legislative Council Rules Clearinghouse. The department incorporated all of the Rules Clearinghouse comments.

Fiscal Estimate

A fiscal estimate on the proposed rule is attached. This rule will generate an estimated \$91,000 in additional revenues to sustain the department's animal health and disease control programs.

Final Regulatory Flexibility Analysis

A final regulatory flexibility analysis is attached. This proposed rule will have some financial effect on small businesses. Approximately 1,100 livestock markets, dealers and truckers are currently licensed, and will be affected by the fee changes. The department assumes that many of these would be classified as small businesses. Veterinarians who issue interstate health certificates will be affected by the fee changes, as will approximately 280 farm-raised deer farms.



Al Ott

State Representative • 3rd Assembly District

Assembly Agriculture Committee

MEMO

TO: Members of the Assembly Agriculture Committee

FROM: Representative Al Ott, Chair

DATE: February 9, 1999

The following clearinghouse rules have been referred to the Assembly Agriculture Committee:

Clearinghouse Rule 98-123

Relating to fish farms, fish diseases, and imports of live fish and fish eggs. Submitted by the Department of Agriculture, Trade and Consumer Protection.

Clearinghouse Rule 98-152

Relating to licensing fees charged to livestock markets, livestock dealers, and livestock truckers, registration fees charged to the keepers of farm-raised deer, fees charged for a permit to operate an approved feedlot, and the fee charged to an accredited veterinarian when the veterinarian obtains, from the department of agriculture, trade and consumer protection, forms to be used in issuing interstate health certificates or certificates of veterinary inspection. Submitted by the Department of Agriculture, Trade and Consumer Protection.

The deadline for action on this rule is March 9, 1999. If you would like a copy of either of these rules, please contact Linda at 266-5831.

CR 98-152

**Proposed Rule Relating
to Animal Health Fees**

Sheila Graham

Assistant Administrator

Division of Animal Health

Dept. of Agriculture, Trade and CP

Changes since 1994

- ✓ **Division**
- ✓ **Industry**
- ✓ **Biology**

Summary

- ✓ **Overview**
- ✓ **Shortfall and Needs**
- ✓ **Benefits**

Proposed Rule

- ✓ **Continue registration/fee for farm-raised deer**
- ✓ **Fee increases for licenses/permits/vehicles**

Farm-raised Deer Registrations

- ✓ Annual registration
- ✓ No exemptions
- ✓ Fee \$50 (small)
- ✓ Fee \$100 (large)

Livestock Market Licenses

- ✓ From \$75 to \$115 (small)
- ✓ From \$150 to \$225 (large)
- ✓ From \$100 to \$150 (equine)
- ✓ From \$5 to \$10 (vehicle)

Livestock Dealer Licenses

- ✓ From \$75 to \$115
- ✓ From \$5 to \$10 (vehicle)

Livestock Trucker Licenses

- ✓From \$20 to \$30
- ✓From \$5 to \$10 (vehicle)

Approved Feedlot Permits

- ✓From \$50 to \$75

Interstate Health Certificates

- ✓From \$2 to \$3

Fiscal Estimate: \$91,000 PR	
280 Deer farms:	\$18,000
1100 Licenses and permits:	\$28,000
3350 Vehicles:	\$17,000
<u>28,000 Health Certificates:</u>	<u>\$28,000</u>
Total \$91,000	

GPR/PR	
✓From	
83% GPR and 17% PR	
✓To	
80% GPR and 20% PR	

Shortfall by FY2001	
✓Loss of GPR	
✓Costs for deer program	
✓Increased costs of supplies and field expenses	

Need for fee increases

- ✓ **Surveillance of disease**
- ✓ **Inspections and tracebacks**
- ✓ **Records verification**
- ✓ **Expenses**

Benefits

- ✓ **Fair marketplace**
- ✓ **Market advantages**
- ✓ **Risk management**
- ✓ **Disease prevention**
- ✓ **Public Health**

Conclusion

- ✓ **Integrated approach**
- ✓ **Cost-effective prevention**
- ✓ **Evolving environment**
