STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION
DOA-2049 (R09/2016)

DIVISION OF EXECUTIVE BUDGET AND FINANCE
101 EAST WILSON STREET, 10TH FLOOR
P.O. BOX 7864
MADISON, WI 53707-7864
FAX: (608) 267-0372

ADMINISTRATIVE RULES
Fiscal Estimate & Economic Impact Analysis

1. Type of Estimate and Analysis
☒ Original ☐ Updated ☐ Corrected

2. Date
5/9/18

3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable)
Wis. Admin. Code ch. ATCP 16

4. Subject
Dog Sellers and Dog Facility Operators

5. Fund Sources Affected
☐ GPR ☐ FED ☐ PRO ☐ PRS ☐ SEG ☐ SEG-S

6. Chapter 20, Stats. Appropriations Affected

7. Fiscal Effect of Implementing the Rule
☐ No Fiscal Effect ☐ Increase Existing Revenues ☐ Increase Costs
☒ Indeterminate ☐ Decrease Existing Revenues ☐ Could Absorb Within Agency's Budget
☐ Decrease Cost

8. The Rule Will Impact the Following (Check All That Apply)
☐ State's Economy ☒ Specific Businesses/Sectors
☐ Local Government Units ☐ Public Utility Rate Payers
☐ Small Businesses **(if checked, complete Attachment A)**

9. Would Implementation and Compliance Costs Be Greater Than $20 million?
☐ Yes ☒ No

10. Policy Problem Addressed by the Rule
The proposed rule aligns several provisions with statutory language. The proposed rule mostly reorganizes and clarifies provisions of the existing rule.

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.
Any animal control facility, animal shelter, dog breeder, dog breeding facility operator, or dog dealer (dog sellers and dog facility operators) are required to hold a license under Wis. Admin. Code ch. ATCP 16.

12. Identify the local governmental units that participated in the development of this EIA.
None.

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 Initial Regulatory Flexibility Analysis for more information on the fiscal effect on dog sellers and dog facility operators.

14. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule
Wis. Admin. Code ch. ATCP 16 was originally created in June 2011 to implement the requirements mandated by Wis. Stat. s. 173.41. Division staff met with an advisory committee as required by Wis. Stat. s. 173.41 (14) (b) for the purpose of developing the rules. The department met with that advisory committee again in May 2012 to review the rules. Minor modifications were suggested at the time. However, because the program had not been in operation for a substantial period of time, the modifications were not implemented. Now that the program has been in place for seven years, the time has come to incorporate the advisory committee's suggested modifications and re-organize the rule for the sake of clarity.

On March 5, 2018, the department met with an advisory group of licensed dog sellers. The committee members represented entities selling more than 50 dogs per year, entities selling fewer than 50 dogs per year, dog shelters, dog dealers, and dog breeders. The Department's Animal Health Division asked the committee of stakeholders to provide feedback as to whether the proposed rule provisions would be onerous or burdensome in any way. The Department also

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wished to learn about what potential financial costs could result from the proposed rule changes.

Results from this meeting with stakeholders were both positive and encouraging. All advisory committee members agreed that the proposed rule changes added helpful clarifications to the existing rule. The stakeholders indicated that the proposed rule modifications would be easy to comply with. No stakeholder forecasted that there would be any significant cost associated with implementation of the proposed rule.

15. Long Range Implications of Implementing the Rule

To protect the health and well-being of dogs and puppies, and to provide healthy animals to persons who purchase dogs or puppies to become part of their families.

16. Compare With Approaches Being Used by Federal Government

Currently, the United States Department of Agriculture (USDA) licenses and inspects fewer than 50 kennels in Wisconsin selling puppies wholesale. USDA establishes minimum facility standards for those licensed facilities.

17. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

Iowa is the only adjacent state that has rules relating to dog sellers. Iowa's rules are similar to these proposed rule changes with respect to minimum temperatures, whelping enclosures, and cleaning requirements.

18. Contact Name	19. Contact Phone Number
Darlene Konkle, DVM, Assistant State Veterinarian	608-224-4902

This document can be made available in alternate formats to individuals with disabilities upon request.

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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 rule will have little to no fiscal impact. Most of the rule modifications clarify the current rule or reorganize requirements under the rule. There are no fee changes under the proposed rule. The proposed rule necessitates that temperatures for indoor facilities be kept at a minimum of 50 degrees Fahrenheit. The Department's selection of this standard is designed to mirror the temperature set by the United States Department of Agriculture (USDA) and by other states. Fifty degrees is a temperature at which water will not freeze, and it is a minimum temperature needed for cleaning to be effective. Feedback received from stakeholders confirmed that this minimum temperature standard is a reasonable one. Most dog sellers and dog shelters indicated that the facilities within the state were already maintained, or should have been maintained, at 50 degrees or greater, even absent the standard specified in this proposed rule. Indeed, depending upon the type of dog kept in the facility (e.g. Chihuahuas), the minimum temperature would have needed to be well above 50 degrees Fahrenheit.

On March 5, 2018, the department met with a stakeholder advisory group comprised of licensed dog sellers. The committee members represented entities selling more than 50 dogs, entities selling fewer than 50 dogs, dog shelters, dog dealers, and dog breeders. Discussions addressed the proposed rule changes, including any potential costs associated with the proposed rule changes .All participants agreed that the rule changes added useful clarifications to the existing rule. All advisory committee members agreed that the proposed rule changes would be easy to comply with. No stakeholder forecasted that there would be a significant cost associated with implementation of the proposed rule.

2. Summary of the data sources used to measure the Rule's impact on Small Businesses

The proposed hearing draft was posted on the department's website for 14 calendar days to receive public comment regarding the economic impact of the proposed rule. The department received no comments.

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:

Many of the businesses affected by this rule are "small businesses." For the most part, this rule does not make special exceptions for small business because requirements relating to the health and well being of puppies and dogs should not be different based upon the size of a given business operation. In fact, the smaller the dog facility, the easier it should be to house, feed, and maintain dogs; heat, clean, and maintain dog facilities; and comply with other rule requirements.

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

Enforcement provisions are specified under Wis. Stat. Sec. 173.41 (15). Pursuant to Wis. Admin. Code s. ATCP 16.30, the Department may, in response to a written request, grant a variance from certain standards specified in the rule.

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

☐ Yes ☒ No