

**ADMINISTRATIVE RULES
FISCAL ESTIMATE
AND ECONOMIC IMPACT ANALYSIS**

Type of Estimate and Analysis

Original Updated Corrected

Administrative Rule Chapter, Title and Number

ATCP 10, 12, 15

Subject

Animal health and disease control, and humane officer training.

Fund Sources Affected

GPR FED PRO PRS SEG SEG-S

Chapter 20 , Stats. Appropriations Affected

20.155(2j) and (2)(ha)

Fiscal Effect of Implementing the Rule

No Fiscal Effect
 Indeterminate

Increase Existing Revenues
 Decrease Existing Revenues

Increase Costs
 Could Absorb Within Agency's Budget
 Decrease Costs

The Rule Will Impact the Following (Check All That Apply)

State's Economy

Local Government Units

Specific Businesses/Sectors

Public Utility Rate Payers

Would Implementation and Compliance Costs Be Greater Than \$20 million?

Yes No

Policy Problem Addressed by the Rule

General

Many of the programs regulated by state administrative rules are also regulated by federal rules. As federal rules change over time, they may become inconsistent with state rules making it difficult for Wisconsin producers to comply with federal rules when moving livestock interstate. This rule re-aligns programs as necessary to continue to protect human and animal health while not negatively impacting commerce.

Farm-Raised Deer

The current testing requirement for chronic wasting disease (CWD) is to test 100% of all farm-raised deer 16 months of age and older that die or are killed. This testing level is required of all farm-raised deer keepers, regardless of the risk their operations pose to disease spread. Since the CWD program was created in 2002, 29,800 samples have been collected and submitted for testing.

This initial approach was feasible to get a measure of prevalence of CWD in the state farm-raised deer and there was significant federal funding available to pay for the test and subsidize the cost of sampling. Federal funds are no longer available to subsidize the cost of sampling farm-raised deer. Testing at this current level would be cost prohibitive for farm-raised deer keepers.

The department proposes to reduce the amount of testing required for those farm-raised deer keepers with the lowest level of risk of spreading CWD. This group includes farms that do not sell or move live animals other than direct to slaughter or to a hunting preserve. Due to the nature of the other farm-raised deer business types, (hunting preserves and farms raising deer for meat), those farms have a much higher level of need for testing for CWD than "breeding" farms that rarely kill or have deer die. This reduction in testing requirements will save a farm-raised deer keeper an average of \$48 per sample collected due to savings in veterinarian sampling costs. Currently, the United States Department of Agriculture (USDA) pays for the laboratory testing costs. This funding is expected to

be eliminated, so reduced testing requirements for deer farmers will also save an unknown amount of laboratory fees for each sample.

This rule does not change the testing requirements for farm-raised deer keepers that sell or move live deer. In order for a farm-raised deer keeper to move live deer off the farm other than to slaughter, the deer keeper must be a participant in a state CWD herd status program for at least 5 consecutive years. Herds enrolled in the CWD herd status program will continue to be required to test at the 100% level.

Additionally, there is a minor subset of farm-raised deer keepers that have less than 15 farm-raised deer that they keep as 'pets'. They do not move live deer and they are not hunting preserves. This rule will reduce their registration fee to \$85.00 if they meet the criteria.

Fish Farms

In some areas current fish farm regulations are overly restrictive and difficult to understand. This rule attempts to simplify and streamline requirements and rule language.

Anyone importing fish into the state of Wisconsin must have an import permit. This rule changes some of the requirements when applying for an import permit. The destination of all fish and fish eggs is no longer required to be listed on the import permit application, and an original fish health certificate is no longer required to accompany the import permit application.

Currently, fish being shipped to other Wisconsin fish farms or locations in the state, other than waters of the state, are required to be covered by a fish health certificate. There has been no evidence of Viral Hemorrhagic Septicemia (VHS), or any other reportable fish disease on WI fish farms. This rule recognizes the health of fish on the fish farms and reduces the requirement for fish health certificates for low risk movements. The requirement for a fish health certificate is retained for movements that pose a higher risk, such as introduction to waters of the state, and movements of VHS-susceptible species from type 3 fish farms.

Enforcement

There are instances when livestock owners have unforeseen unique circumstance where activities may violate animal health rules, but do not pose a threat to animal health. This rule modifies current rules related to enforcement by including a provision for the department to grant a waiver to requirements under this rule if reasonable and necessary. Statutory requirements, of course, cannot be waived.

Animal Truckers, Markets and Dealers

Rules pertaining to licensed Animal Markets, Animal Truckers, and Animal Dealers have been modified to reflect current practices and needs of the livestock industry. This rule addresses the changing livestock industry by:

- Defining shipment to slaughter to allow for licensed markets and dealers to congregate enough animals to ship to slaughter in a cost-effective manner as long as there is no change of ownership, without having to apply official identification to the animals.
- Removing requirements for market premises to be fenced.
- Removing requirements for specific equipment for animal handling. Instead animals are required to be handled humanely and safely. The rule does not limit the options by which the handlers may comply.

Fees

This rule increases the fee to become a certified humane officer by \$10. This fee has not changed since the program inception in 1999. The fee increase is necessary to cover costs of the program.

The department has statutory authority to assess a re-inspection fee on a licensed or registered entity if during

an inspection, violations are noted that require the department's staff to return and verify compliance has been achieved. This rule codifies the re-inspection fees as authorized by statute. Our focus is on progressive enforcement and these fees are not expected to generate significant routine revenue.

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)

- ***Fish farm operators.*** This rule streamlines fish farm rules saving registered fish farmers time and money by better balancing the cost of health requirements with the risk to fish health.

This rule streamlines the annual import permit process, allowing the annual import permit issued to an importer to cover multiple sources. Additionally, it removes the requirement for the importer to list all destinations for the imported fish or fish eggs throughout the year, and instead requires that these records be kept by the importer and made available to the department immediately upon request.

Under current rules, fish being shipped to other WI fish farms or locations in the state other than waters of the state, are required to be covered by a fish health certificate. There has been no evidence of Viral Hemorrhagic Septicemia (VHS), or any other reportable fish disease on WI fish farms. This rule eliminates the requirement for a fish health certificate for in-state movement of live fish or fish eggs, except for movement of fish or fish eggs into waters of the state, or for fish farms that are moving VHS-susceptible fish from a wild source (Type 3 fish farms). For fish farmers that only move fish in-state and do not stock into waters of the state, this will save them an estimated \$200 on a health certificate.

- ***Farm-raised deer keepers.*** This rule makes changes to the rules governing farm-raised deer keepers by attempting to balance the cost of the testing requirements against the risk of disease.

This rule creates a new category of farm-raised deer registration specifically designed for those that own deer as a 'pet'. These are individuals that are not in the CWD program, do not move live deer and have fewer than fifteen deer. The department proposes to lower their registration fee, saving the estimated 44 farm-raised deer keepers that will qualify, \$77.50 each. This will reduce state revenues by approximate \$3,400 a year.

This rule reduces the amount of required CWD testing. Current rules require that all keepers of farm-raised deer test 100% of deer for CWD that die, or are killed, and are 16 months of age or older. This rule reduces the CWD testing requirement for herds that are not enrolled in the CWD herd status program. Herds not enrolled in the CWD herd status program are not allowed to move live animals other than to slaughter and therefore pose significantly less risk to spreading disease. This rule reduces the testing requirements to:

- All farm-raised deer that die by accidental death or natural causes.
- Twenty-five percent of all farm-raised deer that are intentionally killed or slaughtered other than at a hunting preserve.
- Fifty percent of all farm-raised deer that die on the premises of a certified hunting preserve.

Farm-raised deer keepers that are enrolled in the CWD herd status program, and therefore can legally move live farm-raised deer from their farm, continue to be required to test 100% of all deaths on their premises.

These changes are expected to reduce overall testing for CWD in farm-raised deer by 25%, saving the deer industry an estimated \$40,000.

This rule also removes the requirement for herds enrolled in the CWD status program to report to

the department if they add a deer to their herd with fewer years of status in the program than their own herd status. Current rule requires that farm-raised deer have five years in a herd status program in order to be moved live around or into Wisconsin; there is no additional benefit to tracking herd status beyond 5 years. (It is against the rules to add a deer to a herd that does not have 5 year status in a recognized CWD status program.) This will save time for farm-raised deer keepers.

- **Wisconsin certified veterinarians and their clients.** This rule may affect veterinarians in the following ways:
 - It makes slight changes to current rules governing certificates of veterinary inspection (the changes should have little impact on veterinarians or their clients, but will improve animal health documentation).
 - It reduces the amount of Chronic Wasting Disease samples that must be taken. Veterinarians who sample deer for chronic wasting disease testing may experience some loss of income.
 - It extends the recertification requirement for veterinarians certified to perform Johne's disease testing and vaccinating or tuberculosis testing, from every three years to every five years. This will save the veterinarians time and money in recertifying.
- **Licensed Animal Truckers, Animal Markets and Animal Dealers.** This rule aligns current rule more effectively with the changing livestock industry.
 - It removes the requirement for all official identification (ID) on an animal to be recorded by Animal Markets and Animal Dealers if the animal is not required to be officially identified. It eliminates the requirement for Animal Truckers to record all official identification of animals they transport since these identifications will be recorded by an animal market or animal dealer when required. This reduces the unnecessary animal handling and record keeping. This rule does not change current requirements to officially identify animals.
 - Under this rule licensed markets, dealers and truckers may not sell, move or dispose of any live animal that has been tested for a reportable disease until the result is known. This will increase the cost for keeping these animals; however it is necessary to stop the spread of disease.
- **Certified Humane Officers** This rule increases the cost to become a certified humane officer to \$35 from \$25. This fee has not been changed since the program's inception in 1999 and the increase is nominal and necessary to continue to fund the certification process. This increase in the fee will increase revenue to the department by \$240 a year.

Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

Animal Markets, Animal Dealers and Animal Truckers

If DATCP takes no action, current rules will remain in effect. Failure to update these rules will limit licensees' ability to take advantage of the changes in animal identification record keeping that will reduce redundancy and unnecessary animal handling. Although "no action" would reduce the cost of the new requirement to keep animals until certain disease testing is completed, this may increase the risk of spreading disease.

Farm-raised Deer

If DATCP takes no action, current rules will remain in effect. Failure to implement this rule will

result in farm-raised deer keepers continuing to test all deer that die or are killed that are at least 16 months of age. This will be a cost burden to them as federal funding for sampling and testing for chronic wasting disease is unlikely to be available.

Fish farms

If DATCP takes no action, current rules will remain in effect. Some of the current rules are rather cumbersome and may have limited health benefits. Modifications could facilitate administration and compliance, and could provide equivalent protection.

Humane Officers

If DATCP takes no action, the current rules which are confusing will remain in effect. Implementing these changes to the humane officer program clarifies the requirements to obtain and renew a humane officer certification. The increase in fees is necessary to cover the costs of certifying humane officers.

Long Range Implications of Implementing the Rule

Overall, this rule continues to provide for disease control and prevention for the benefit of the entire livestock and aquaculture industry. In many cases, this rule will improve flexibility and reduce costs for individual businesses, including small businesses. Overall, this rule has few adverse impacts on small business.

Compare With Approaches Being Used by Federal Government

Most animal health regulations are adopted and administered at the state level. However, the United States Department of Agriculture (USDA) administers federal regulations related to the interstate movement of animals, particularly with respect to certain major diseases. States regulate intrastate movement and imports into the state. States certify the disease status of certain herds, at the request of herd owners, to facilitate interstate movement of animals from those herds. States also license and regulate entities such as animal markets, animal dealers and animal truckers (regulations vary by state).

State regulation of interstate animal movement is generally consistent with federal standards, where applicable. However, states may impose additional import requirements if those requirements are reasonably designed to prevent the spread of disease, and do not impose an unreasonable burden on interstate commerce.

Wisconsin's current rules related to farm-raised deer are consistent with applicable federal rules. However, USDA is proposing changes to federal rules related to CWD in farm-raised deer. The proposed federal rules may modify current testing and monitoring requirements for interstate movement, and may modify current identification requirements for interstate movement. DATCP may modify current state rules in the future, as necessary, to be consistent with any new federal rules.

USDA has less well-developed programs for new or localized diseases, or emerging animal-based industries. States often take a lead role in developing programs to address new animal health issues and disease threats (farm-raised deer and fish diseases, for example), particularly if those issues or threats have a more local or regional focus. Wisconsin's program related to fish and farm-raised deer are perhaps the leading programs in the nation, and have provided models for proposed federal programs.

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

General

Surrounding state animal health programs are broadly comparable to those in Wisconsin, but vary in a variety of ways. Differences in disease regulations and control programs may reflect differences in animal populations, animal-based industries, and disease threats in the different states. Programs for historically important diseases, such as tuberculosis and brucellosis, tend to be fairly similar between states and are based on well-established federal standards. Programs for newer forms of agriculture, such as farm-raised deer and aquaculture, tend to be more variable.

Aquaculture

All of the surrounding states regulate aquaculture, to some degree:

- Minnesota requires fish import permits, and licenses fish farms and fish dealers. Health certification is required for fish imports, but not for fish farms. Bait imports are prohibited.
- Iowa requires fish import permits, and licenses fish farms. Health certification is required for fish imports, but not for fish farms.
- Illinois licenses fish farms and fish dealers. An import permit and health certification is required for certain fish imports (salmonids). There is limited regulation of fish transport vehicles.
- Michigan licenses fish farms. Health certification is required for fish imports.

Farm-raised Deer

All of the surrounding states require CWD testing of farm-raised deer:

- Illinois requires any farm-raised deer dying from an unknown cause that has exhibited neurological disorder be tested for CWD and any farm-raised deer exhibiting symptoms of CWD to be destroyed and tested, or quarantined until it can be determined that the animal does not have CWD.

Additionally, two 'voluntary' CWD herd monitoring programs have been established ("Certified Monitored vs. "Contained Monitored") - intrastate movement or sales of farm-raised deer are contingent upon participation in one of the programs.

- Iowa requires that farm-raised deer purchased or moved be enrolled in a CWD surveillance program. The voluntary surveillance program requires collecting and submitting appropriate samples from all cases of mortality, including slaughter, in animals 16 months of age and older and requires copies of the laboratory reports to be maintained.
- Michigan requires mandatory CWD surveillance; all death losses due to illness in farm-raised deer herds for deer that are over 12 months of age, and 25% of hunted/culled deer must be reported to Department of Agriculture and submitted for CWD testing.
- Minnesota requires mandatory CWD testing for all farm-raised deer.

Animal Markets, Animal Truckers, and Animal Dealers

All surrounding states license Animal Markets and Dealers. These licensed entities are required to meet minimum standards regarding facilities and animal handling, and record keeping.

Humane Officers

- Iowa has no related program.
- The Minnesota Federated Humane Societies (MFHS) is authorized to provide a one day training class on the Minnesota animal laws and related topics. The MFHS administers a test at the end of the one day training, and certifies those that pass. There is no requirement for additional training or continuing education.
- Michigan requires individuals to complete 100 hours of training classes, or other experience on their own. Documentation of the training is submitted to the Michigan Department of Agriculture for approval. If the training is approved, the department issues a letter of approval. The individual is then able to seek employment with a jurisdiction. No additional continuing education is required.
- Illinois requires volunteers that are sponsored by a humane society, to attend a ½ day training course conducted by the Department of Agriculture reviewing the animal laws of the state. An exam is then administered after the review. The individual must pass the test once every 2 years to maintain certification. The individual is then authorized to conduct investigations of animal welfare complaints. No additional continuing education is required.