

## ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

1. Type of Estimate and Analysis

Original    Updated    Corrected

2. Administrative Rule Chapter, Title and Number

NR Ch. 16, Captive Wildlife

3. Subject

Emergency and permanent rules relating to fences for farm-raised white-tailed deer, Natural Resources Board Orders WM-13-15 and WM-14-15(E).

4. Fund Sources Affected

GPR    FED    PRO    PRS    SEG    SEG-S

5. Chapter 20, Stats. Appropriations Affected

None

6. 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

The provisions of this rule proposal will not have a fiscal impact on the department. Currently, and under these proposed rules, staff people from the bureau of law enforcement are primarily involved in fence certification. Staff people in the bureau of customer services conduct the financial transactions and maintain records. Wildlife management staff may also be involved with certifying that wild deer have been removed prior to licensure for captive deer or other activities. The department would continue to administer the program to inspect and certify the fences for white-tailed deer farms. The department would continue to inspect new fences, and the fences for farms which are being recertified at the end of the term of licensure. The department would continue to respond to calls about breaches of white-tailed deer farm fences and other maintenance issues as it has in the past. No new expenses or revenues are anticipated as a result of this proposal.

7. 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)

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

Yes       No

9. Policy Problem Addressed by the Rule

These rules will establish a way for certain deer farmers to legally and safely maintain ownership of their animals following changes to federal and state regulations which are effective beginning on December 10, 2015.

Under current Department regulations, the type of fencing a licensed deer farmer is required to maintain depends upon whether the licensee is enrolled in DATCP's herd status program. New USDA regulations have been adopted which will change herd status eligibility criteria. Individuals who are currently enrolled in the herd status program must comply with the new eligibility criteria to maintain their fences as is. Individuals who are unable to meet the new eligibility criteria will be required to install double or solid fencing. Both options could result in significant costs to licensees. Farmers who are not able to comply with new USDA/DATCP regulations and are not able to build an additional fence may have limited options for disposing of their deer.

These rules would eliminate the requirement for white-tailed deer farms to comply with either of the following as a condition of their fence certificate: 1) enrollment in the chronic wasting disease herd status program which is administered by the Department of Agriculture, Trade, and Consumer Protection or, for farms greater than 80 acres in size, 2) testing 10% of deer that die annually and submit those results to the natural resources department.

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The Department would still issue fence certificates, which would indicate whether a facility was enclosed by a single fence, doubled fence, or solid fence, according to standards already established in NR16. The chronic wasting disease and other testing requirements established under ATCP 10 would still be in effect. Farms not participating in the herd status program administered by agriculture department would not be allowed to export live deer.

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10. 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.

Deer farmers are a primary entity who will be affected by the proposed rules. However, anyone who is interested in wild white-tailed deer may also be interested in the regulation of captive white-tailed deer because both can be impacted the same diseases and people would presumably be interested in maintaining the health of both wild and captive animals.

Pursuant to the Governor's Executive Order 50, Section II, this is a level 3 economic impact analysis. A notice for solicitation of comments on this analysis will be posted on the department's website during a 14 day period in February 2016. The department will seek comments by contacting interest groups, individuals, and associations that represent local governmental units.

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11. Identify the local governmental units that participated in the development of this EIA.

Pursuant to the Governor's Executive Order 50, Section II, this is a level 3 economic impact analysis. A notice for solicitation of comments on this analysis will be posted on the department's website during a 14 day period beginning in February. The department will seek comments by contacting interest groups, individuals, and associations that represent local governmental units.

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12. 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)

The department anticipates no significant economic impact as a result of these rules. Many farm owners, will make the farm updates necessary to maintain their status in the CWD Herd Certification Program and these rules will not apply.

These proposed rules would benefit some smaller farms which are certified under current rules but for whom recertification or double fencing are not economically feasible. The economic benefits will be minimal but important to individual farm owners. While they would not be certified and could not sell or transfer live deer, they would be able to continue owning the deer and could continue to realize financial benefit from activities such as game farm hunting.

State and federal agencies do collect detailed information on the certification of deer farms and compile reports of agricultural statistics in general. However the USDA's census of agriculture only collects information for deer in a category of "other animal products and animal sales" and does not differentiate between white-tailed deer and other species. This data source is of limited use for estimating the impact of these proposed rules. We continue to believe there will be no significant overall impact from these rules because only a subset of white-tailed deer farmers would be impacted.

These rules will not create new compliance or reporting requirements for small business. The design and operational standards for deer farms contained in the rule will be a simplification from current federal and state rules.

These rules are not expected to significantly affect currently available outdoor opportunities and no impacts to the economic activities of hunters, trappers, or outdoor recreation enthusiasts are expected.

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

These proposals will contribute to the maintenance of the current economic activity generated by people who are engaged in deer farming.

Under current Department regulations, the type of fencing a licensed deer farmer is required to maintain depends upon whether the licensee is enrolled in DATCP's herd status program. New USDA regulations have been adopted which will change herd status eligibility criteria. Individuals who are currently enrolled in the herd status program must comply with the new eligibility criteria to maintain their fences as is. Individuals who are unable to meet the new eligibility criteria will be required to install double or solid fencing. Both options could result in significant costs to licensees. Farmers who are not able to comply with new USDA/DATCP

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regulations and are not able to build an additional fence may have limited options for disposing of their deer.

Preventing the illegal release or co-mingling of wild and captive deer will reduce the risk of transmitting diseases such as Chronic Wasting Disease (CWD) and is necessary for the preservation of public peace, health, safety or welfare.

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#### 14. Long Range Implications of Implementing the Rule

The long range implications of this rule proposal will be the same as the short term impacts. These proposals will contribute to the maintenance of the current economic activity generated by people who are engaged in deer farming.

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#### 15. Compare With Approaches Being Used by Federal Government

Federal regulations allow states to manage farm-raised deer operations located within their boundaries provided they do not conflict with regulations established in the Federal Register. Owners of farm-raised white-tailed deer are not required to participate in federal programs except that, if they wish to sell or transfer live deer, they must be certified under the federal/state herd status program. None of these rule changes violate or conflict with the provisions established in the Federal Code of Regulations.

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

These rule change proposals do not represent significant policy changes and do not differ significantly from surrounding states. All surrounding states have regulations and rules in place that are consistent with federal regulations.

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<b>17. Contact Name</b>	<b>18. Contact Phone Number</b>
Scott Loomans, Wildlife Regulations Policy Specialist	608-267-2452

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