

## 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 11/28/2022</p>
<p>3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable) ATCP 57</p>	
<p>4. Subject Inedible Animal By-Products</p>	
<p>5. Fund Sources Affected <input checked="" type="checkbox"/> GPR <input checked="" type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S</p>	<p>6. Chapter 20, Stats. Appropriations Affected</p>
<p>7. Fiscal Effect of Implementing the Rule <input checked="" type="checkbox"/> No Fiscal Effect <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Indeterminate <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Could Absorb Within Agency's Budget</p>	
<p>8. The Rule Will Impact the Following (Check All That Apply) <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 type="checkbox"/> Small Businesses <b>(if checked, complete Attachment A)</b></p>	
<p>9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137(3)(b)(1). \$There may be minimal cost for licensing for certain, previously unlicensed, dead animal collection businesses, specifically if these operators will be required to hold a license to collect animals that move into the rendering and animal food processing realms. Pursuant to current requirements for licensing in s. 95.72 (2) (c), Stats., the cost would be \$100 per business per year. However, there will likely be only a small number of persons requiring such a license, and the department does not anticipate a significant fiscal impact from the proposed rule revisions. In these cases, the cost of licensing would likely be offset by the revenue gained from an expanded business model that allows for a range of animal carcass dispositions.</p>	
<p>10. Would Implementation and Compliance Costs Businesses, Local Governmental Units and Individuals Be \$10 Million or more Over Any 2-year Period, per s. 227.137(3)(b)(2)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	
<p>11. Policy Problem Addressed by the Rule The objective of the proposed rule is to complete a comprehensive review of Chapter 57 and make revisions to ensure the chapter is statutorily compliant, allows for technology, and current with industry standards and practices.</p>	
<p>12. 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. The Department solicited input from an advisory committee during the rule development. Meeting notices were sent to all licensee or registration holders allowing them to participate in meetings over the last year.</p>	
<p>13. Identify the Local Governmental Units that Participated in the Development of this EIA. none</p>	
<p>14. 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 expects the proposed rule to have a positive impact on most stakeholders because it will give more flexibility for businesses to meet rule requirements. For example, licensed businesses may develop alternative systems for collecting, stockpiling, and transporting carcasses and carcass materials under a revised rule. There may be some cost for licensing for certain, previously unlicensed, dead animal collection businesses, specifically if these operators will be required to hold a license to collect animals that move into the rendering and animal food processing realms. Pursuant to current requirements for licensing in s. 95.72 (2) (c), Stats., the cost would be \$100 per business per year. However, there</p>	

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Some existing licensed businesses may incur facility upgrade costs. These costs are expected to range from small or moderate, e.g. conducting an annual water test or adding light fixtures, to more significant, e.g. repairing floor concrete or improving floor drainage.

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

An undesirable alternative to updating the rule would be to continue as is, attempting to continue applying the existing rule to new methods, innovations, and trends not addressed or permitted under the existing rule. By continuing to regulate under the existing rule, the department would be unable to address emerging threats and conditions and may be unnecessarily complicating the regulatory landscape for business operators.

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

The long range implication of implementing the rule is clear and concise rules. The rule will continue to facilitate the working relationship between the department, the USDA, and the inedible animal by-product industry. Long range implications include the continued vigilance of promoting separation of human and animal food aligning with healthy business practices that help businesses to grow and that ensure food safety guidelines are met.

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

Title 9 of the CFR is enforced by the USDA Food Safety and Inspection Service. 9 CFR Part 325 addresses transportation and other transactions concerning dead, dying, disabled or diseased livestock, and parts of carcasses of livestock that have died other than by slaughter. Importantly, these regulations apply to livestock that are legally “in commerce” as defined by USDA. As such they may not be applicable to all Wisconsin businesses handling carcasses and carcass materials. In addition, these federal regulations do not overlap requirements of ch. ATCP 57. Title 21 of the CFR contains applicable FDA regulations, namely Subchapter E. Animal Drugs, Feeds, and Related Products. Of particular relevance, 21 CFR Part 589 address substances prohibited from use in animal food or feed. The combination of USDA and FDA regulations (9 CFR Part 325 and 21 CFR Part 589, respectively) is intended to prevent the spread of Transmissible Spongiform Encephalopathies (TSE’s; caused by prions) via animal food or feed. There is little overlap of these regulatory requirements and those of ch. ATCP 57. Regulations implementing the FSMA address a broader range of hazards besides TSE-causing prions, and require animal food facilities to have a food safety plan in place that includes a hazard analysis, and the implementation of risk-based preventive controls to minimize or prevent those hazards identified as known or reasonably foreseeable. FSMA requirements are found in 21 CFR Part 507 and generally do not overlap with requirements in ch. ATCP 57.

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

#### Illinois

Illinois regulates inedible animal by-products through the Illinois Compiled Statutes, Animal Mortality Act (225 ILCS 610) and Meat and Poultry Inspection Act (225 ILCS 650). Regulations include licensing and fees, processing and handling regulations, facility standards, sanitation and labeling regulations, and enforcement provisions.

Illinois has several classification of license depending on what materials are collected. Vehicle permits are required and the classification with specific naming conventions are required on the vehicle as well as address and business name.

#### Iowa

Iowa regulates inedible animal by-products through Iowa’s Code section 167 and 189a, and by Administrative Codes, Chapters 61 “Dead Animal Disposal”, and 76 Meat and Poultry Inspection. Regulations include licensing and fees, processing and handling regulations, facility standards, sanitation and labeling regulations, and enforcement provisions.

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Iowa also requires inedible carcasses, carcass materials, and products to be identified and labeled similar to the requirements in Wisconsin. Iowa has incorporated federal regulations into their program. Vehicle permits are required for vehicles used to transport carcass and carcass materials. Vehicles also are required to identify the license holder and the address.

### Michigan

Michigan regulates inedible animal by-products through Act 239 of 1982 BODIES OF DEAD ANIMALS. The act includes licensing and fees, processing and handling regulations, facility standards, sanitation and labeling requirements, and enforcement provisions.

Michigan also requires vehicles used to transport carcass and carcass materials to be registered, and identification on the vehicle that the material is not intended for human consumption. Vehicles also are required to identify the license holder and the address.

### Minnesota

Minnesota regulates inedible animal by-products through Minnesota Statutes section 31A “Meat and Poultry Inspection” and 35 “Animal Health”, and Minnesota Administrative rules Chapter 1540 “Meat Inspection”. Regulations include licensing and fees, processing and handling regulations, facility standards, sanitation and labeling regulations, and enforcement provisions. Minnesota addresses reciprocity in their statute with adjacent states.

Minnesota also requires inedible carcasses, carcass materials, and products to be identified and labeled similar to the requirements in Wisconsin. Minnesota incorporated 31A.21 Cooperation with Federal Government into their program. Vehicle permits are required for vehicles used to transport carcass and carcass materials.

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19. Contact Name

Paul Pierce

20. Contact Phone Number

608-224-4731

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

## ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

### ATTACHMENT A

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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)

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

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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:

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

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5. Describe the Rule's Enforcement Provisions

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

- Yes    No
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