

ADMINISTRATIVE RULES

Fiscal Estimate & Economic Impact Analysis

1. Type of Estimate and Analysis ☒ Original ☐ Updated ☐ Corrected	2. Date 7/22/25								
3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable) ATCP 12									
4. Subject Animal markets, dealers, and truckers, including fees, and affecting small businesses									
5. Fund Sources Affected ☐ GPR ☐ FED ☒ PRO ☐ PRS ☐ SEG ☐ SEG-S	6. Chapter 20, Stats. Appropriations Affected 20.115 (2) (ha)								
7. Fiscal Effect of Implementing the Rule <table style="width: 100%;"><tr><td>☐ No Fiscal Effect</td><td>☒ Increase Existing Revenues</td><td>☐ Increase Costs</td><td>☐ Decrease Costs</td></tr><tr><td>☐ Indeterminate</td><td>☐ Decrease Existing Revenues</td><td colspan="2">☐ Could Absorb Within Agency's Budget</td></tr></table>		☐ No Fiscal Effect	☒ Increase Existing Revenues	☐ Increase Costs	☐ Decrease Costs	☐ Indeterminate	☐ Decrease Existing Revenues	☐ Could Absorb Within Agency's Budget	
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8. The Rule Will Impact the Following (Check All That Apply) <table style="width: 100%;"><tr><td>☐ State's Economy</td><td>☒ Specific Businesses/Sectors</td></tr><tr><td>☐ Local Government Units</td><td>☐ Public Utility Rate Payers</td></tr><tr><td colspan="2">☒ Small Businesses (if checked, complete Attachment A)</td></tr></table>		☐ State's Economy	☒ Specific Businesses/Sectors	☐ Local Government Units	☐ Public Utility Rate Payers	☒ Small Businesses (if checked, complete Attachment A)			
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9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137(3)(b)(1). \$405,023									
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)? ☐ Yes ☒ No									

11. Policy Problem Addressed by the Rule
The program revenue (PR) appropriation (appropriated by Wis. Stat. § 20.115 (2) (ha)) does not have adequate revenue to recover costs. The appropriation is projected to have a negative cash balance at the end of Fiscal Year 2025. The appropriation includes the programs in this proposed rule, which are contained in Admin. Code ch. ATCP 12. The appropriation also includes programs contained in Admin. Code ch. ATCP 10, which are being evaluated under a separate statement of scope (SS 014-24).

In past years, there was funding available in a related general program revenue (GPR) appropriation (appropriated by Wis. Stat. § 20.115 (2) (a)) to help cover the costs of these programs. That funding is no longer available due to increased costs in the GPR appropriation, as well as decreased federal funding for programs that now need to be funded by the GPR appropriation. There has also been a decrease in the PR appropriation's program revenue in recent years. A portion of these program costs is supported by a related segregated fund revenue (SEG) appropriation (appropriated by Wis. Stat. § 20.115 (2) (q)), as shown in the table above.

Expenses in the PR appropriation, and this fee analysis, only include program costs, such as licensing, inspection, and program management. The expenses do not include costs related to disease responses. For example, the fee analysis does not include staff activities related to positive detections of tuberculosis or chronic wasting disease. Disease response activities, such as quarantining, depopulating, testing, and surveillance are funded by the GPR appropriation.

The Department is not able to reduce expenditures to the level of current revenues without resulting in a failure to fulfill statutory requirements. Pursuant to Wis. Stat. chs. 93 and 95, the Department is responsible for determining and employing the most efficient and practical means for the prevention, suppression, control, and eradication of communicable diseases among animals, to protect the health of animals and humans in this state. This important work also prevents losses to livestock and animal industries.

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With regards to the programs included in this fee rule proposal, the Department is also required to register and regulate animal markets, animal dealers, and animal truckers. These programs are critical for animal health, human health, and animal industries.

Most fees in this rule were last increased in 2009 (CR 07-061) and have not been increased in the sixteen years since.

The proposed rule also modifies ch. ATCP 12 for improvements and updates.

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 proposed rule would impact animal markets, animal dealers, and animal truckers. There are currently:

- 16 class A markets
- 15 class A markets that would become class B under the proposed rule
- 21 class B markets (not including the 15 above)
- 3 class E markets
- 258 animal dealers
- 332 animal truckers
- 1,001 animal transport vehicles

The proposed rule would also impact animal health, animal industries, and public health. While Wisconsin's program fees are collected from a small number of licensees, these critical programs have impacts and benefits across animal health, animal industries, and public health.

The Department held a preliminary public hearing on the statement of scope on March 26, 2024, with comments accepted through April 1, 2024. In addition to publication in the Administrative Register, the Department also sent an email notice to licensees on March 18, 2024. The public hearing was a hybrid, combining in-person attendance at the DATCP building and remotely via zoom, with both internet access and telephone access.

13. Identify the Local Governmental Units that Participated in the Development of this EIA.

Not applicable.

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 proposed rule modifies and increases fees for animal markets, animal dealers, and animal truckers. Most or all affected entities are small businesses, pursuant to the definition under Wis. Stat. § 227.485 (2) (c). The economic impact could be significant for individual entities. Pursuant to Wis. Stat. § 227.22 (2) (e), the rule applies to small businesses on the first day of the 3rd month commencing after the date of publication of the rule. Based on current projections for the timeline of the rules process, the proposed rule would become effective for all entities by the middle of Fiscal Year 2027 (approximately November 2026).

The following information shows the quantity of licensees or charges, the number of years in the license cycle, the current and proposed fee amounts, the dollar change, and the percentage change.

Animal Markets

Registration: Animal Market Class A, Years: 1, Quantity: 16, Current Fee: \$420, Proposed Fee: \$7430, \$ Change: \$7010, % Change: 1669%.

Registration: Animal Market Class A to B, Years: 1, Quantity: 15, Current Fee: \$420, Proposed Fee: \$770, \$ Change: \$350, % Change: 83%.

Registration: Animal Market Class B, Years: 1, Quantity: 21, Current Fee: \$220, Proposed Fee: \$770, \$ Change: \$550,

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% Change: 250%.

Registration: Animal Market Class E, Years: 1, Quantity: 3, Current Fee: \$280, Proposed Fee: \$975, \$ Change: \$695, % Change: 248%.

Late Fee: Animal Market Class A, Years: NA, Quantity: 0, Current Fee: \$84, Proposed Fee: \$1486, \$ Change: \$1402, % Change: 1669%.

Late Fee: Animal Market Class B, Years: NA, Quantity: 3, Current Fee: \$44, Proposed Fee: \$154, \$ Change: \$110, % Change: 250%.

Late Fee: Animal Market Class E, Years: NA, Quantity: 2, Current Fee: \$56, Proposed Fee: \$195, \$ Change: \$139, % Change: 248%.

Surcharge: Animal Market Class A, Years: NA, Quantity: 0, Current Fee: \$100, Proposed Fee: \$100, \$ Change: \$0, % Change: 0%.

Surcharge: Animal Market Class B, Years: NA, Quantity: 0, Current Fee: \$100, Proposed Fee: \$100, \$ Change: \$0, % Change: 0%.

Surcharge: Animal Market Class E, Years: NA, Quantity: 0, Current Fee: \$100, Proposed Fee: \$100, \$ Change: \$0, % Change: 0%.

Reinspection: Animal Market Class A, Years: NA, Quantity: 1, Current Fee: \$150, Proposed Fee: \$465, \$ Change: \$315, % Change: 210%.

Reinspection: Animal Market Class B, Years: NA, Quantity: 0, Current Fee: \$150, Proposed Fee: \$465, \$ Change: \$315, % Change: 210%.

Reinspection: Animal Market Class E, Years: NA, Quantity: 0, Current Fee: \$150, Proposed Fee: \$465, \$ Change: \$315, % Change: 210%.

Animal Dealers

Registration: Animal Dealer, Years: 1, Quantity: 258, Current Fee: \$220, Proposed Fee: \$670, \$ Change: \$450, % Change: 205%.

Late Fee: Animal Dealer, Years: NA, Quantity: 18, Current Fee: \$44, Proposed Fee: \$134, \$ Change: \$90, % Change: 205%.

Surcharge: Animal Dealer, Years: NA, Quantity: 6, Current Fee: \$100, Proposed Fee: \$100, \$ Change: \$0, % Change: 0%.

Reinspection: Animal Dealer, Years: NA, Quantity: 2, Current Fee: \$150, Proposed Fee: \$465, \$ Change: \$315, % Change: 210%.

Animal Truckers

Registration: Animal Trucker, Years: 1, Quantity: 332, Current Fee: \$60, Proposed Fee: \$370, \$ Change: \$310, % Change: 517%.

Late Fee: Animal Trucker, Years: NA, Quantity: 20, Current Fee: \$12, Proposed Fee: \$74, \$ Change: \$62, % Change: 517%.

Surcharge: Animal Trucker, Years: NA, Quantity: 4, Current Fee: \$100, Proposed Fee: \$100, \$ Change: \$0, % Change: 0%.

Reinspection: Animal Trucker, Years: NA, Quantity: 1, Current Fee: \$150, Proposed Fee: \$465, \$ Change: \$315, % Change: 210%.

Registration: Animal Transport Vehicle, Years: 1, Quantity: 1001, Current Fee: \$20, Proposed Fee: \$70, \$ Change: \$50, % Change: 250%.

Late Fee: Animal Transport Vehicle, Years: NA, Quantity: 20, Current Fee: \$5, Proposed Fee: \$14, \$ Change: \$9, %

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Change: 180%.

Surcharge: Animal Transport Vehicle, Years: NA, Quantity: 5, Current Fee: \$100, Proposed Fee: \$100, \$ Change: \$0, % Change: 0%.

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

The proposed fees would ensure recovery of annual program costs and would gradually eliminate the projected negative cash balance over a period of years. Without the proposed fee increase, the appropriation would operate in a negative cash balance until a different change occurs, such as the creation of an alternative funding source or a statutory change. The Department would report the negative cash balance to the Joint Committee on Finance.

16. Long Range Implications of Implementing the Rule

The proposed fees would ensure recovery of annual program costs and would gradually eliminate the projected negative cash balance over a period of years.

17. Compare With Approaches Being Used by Federal Government

The United States Department of Agriculture 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. The fees and rules included in this rule draft do not duplicate or conflict with any federal fees or regulations.

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

Programs in adjacent states (Iowa, Michigan, Minnesota, Illinois) are similar to Wisconsin, as all are based on federal standards. Neighboring states primarily fund these types of programs through general program revenue (GPR), therefore they have lower fees than Wisconsin's current fees. While Wisconsin's program fees are collected from a small number of licensees, these critical programs have impacts and benefits across animal health, animal industries, and public health.

Iowa

In Iowa, a livestock market permit is \$50 per year. The livestock dealer and livestock market agent permits are \$10 per year. A bull breeder license is \$20 every two years. A livestock dealer or order buyer permit is \$50 per year. A feeder pig dealer agent permit is \$6 every two years. A poultry buyer's license is \$6 every two years. A pig dealer's agent permit is \$3 per year. A sheep dealer license is \$10 every two years. (Section 21-66, Iowa Administrative Code)

Michigan

In Michigan, an action Class I is \$400 per year. A buying station (Class II) is \$250 per year. The remaining fees are waived for veterans: A dealer (Class III) is \$50 per year. An agent broker (Class III) is \$50 per year. A collection point (Class III) is \$50 per year. A trucker (Class IV) is \$25 per year. (Chapter 287, Michigan Statutes)

Minnesota

In Minnesota, a livestock market agency and public stockyard is \$300 per year. A livestock dealer is \$100 per year. A livestock dealer agent is \$50 per year. (Section 17A.04, Minnesota Statutes)

Illinois

In Illinois, a livestock auction market license is \$200 per year. The livestock dealer license is \$25 for a new license, \$10 for the annual renewal, as well as \$10 for each location in addition to the first location, and \$5 for each employee. A feeder swine dealer license is \$25, the renewal is \$10, and there is a fee of \$5 for each employee. There is no fee for a slaughter livestock buyer's license, just a requirement to submit an annual report. (Sections 225 ILCS 640 and 645, Illinois Statutes)

19. Contact Name

Angela Fisher

20. Contact Phone Number

608-224-5051

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

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

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 proposed rule modifies and increases fees for animal markets, animal dealers, and animal truckers. Most or all affected entities are small businesses, pursuant to the definition under Wis. Stat. § 227.485 (2) (c). The economic impact could be significant for individual entities. Pursuant to Wis. Stat. § 227.22 (2) (e), the rule applies to small businesses on the first day of the 3rd month commencing after the date of publication of the rule. Based on current projections for the timeline of the rules process, the proposed rule would become effective for all entities by the middle of Fiscal Year 2027 (approximately November 2026).

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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?

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- ☐ 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:

Pursuant to Wis. Stat. § 227.22 (2) (e), the rule applies to small businesses on the first day of the 3rd month commencing after the date of publication of the rule. Based on current projections for the timeline of the rules process, the proposed rule would become effective for all entities by the middle of Fiscal Year 2027 (approximately November 2026).

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

Pursuant to Wis. Stat. § 227.22 (2) (e), the rule applies to small businesses on the first day of the 3rd month commencing after the date of publication of the rule. Based on current projections for the timeline of the rules process, the proposed rule would become effective for all entities by the middle of Fiscal Year 2027 (approximately November 2026).

5. Describe the Rule's Enforcement Provisions

There are no changes to enforcement related to this rule proposal.

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

☐ Yes ☒ No
