

**Economic Impact Statement**

LSA Document #10-790

**IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses****1. Description of the Rule**

The proposed rule adds [345 IAC 7-5-27.5](#) to require testing for equine piroplasmosis of any equine animal that is entering the premises where a quarter horse or thoroughbred horse race meet is being held. Horses that test positive for equine piroplasmosis are prohibited from entering or staying on the track grounds.

The rule amends [345 IAC 7-5-2.5](#) by stating that exhibitors must present copies of certificates of veterinary inspection and other animal health documentation to Indiana State Board of Animal Health (BOAH) personnel upon request.

**2. Description of Affected Industry**

The equine piroplasmosis testing requirement will apply to persons with horses at a quarter horse or thoroughbred horse race meet. The BOAH knows of only two tracks in Indiana that hold quarter horse and thoroughbred horse race meets, the two pari-mutuel horse tracks that are licensed by the Indiana Horse Racing Commission under [IC 4-35](#). Each of the two tracks has a meet for quarter horses and thoroughbred horses. When the thoroughbred and quarter horse meet is underway at one track, the other track holds a standardbred meet. The proposed rule does not impact standardbred meets.

The breed development office at the Indiana Horse Racing Commission reports that 3,249 unique horses raced in the quarter horse and thoroughbred meet at a licensed track in 2010. This number includes Indiana horses and horses from outside Indiana.

The rule requires horses that are on the grounds during a meeting be tested, even if that horse is not raced. There is no official data on how many other horses there may be at a meet. BOAH is estimating that an additional 300 horses may need to be tested in addition to the horses that are raced.

**3. Reporting, Record Keeping, and Other Administrative Costs**

The proposed rule requires a person entering a horse onto the grounds of a quarter horse or thoroughbred horse meet have a copy of the official test record document showing the horse tested and the results. The person is required by the rule to show this document to BOAH personnel upon request. Laboratories that perform equine piroplasmosis testing issue a test result document for each test run. The proposed rule does not require documentation by the animal owner beyond what they receive from the laboratory. Therefore, there are insignificant reporting, record keeping, and other administrative costs associated with the rule.

**4. Estimated Total Annual Economic Impact on Small Businesses**

The proposed changes will impose testing costs on equine owners that are taking their horses to a quarter horse or thoroughbred horse race meet. The BOAH estimates the costs of testing to include: Veterinary service charge of \$30 - \$60 and a laboratory charge of \$35 to \$60.

Therefore, the total cost to horse owners of the equine piroplasmosis testing requirement is between:

3,500 horses × (\$30 + \$35) = \$227,500; and

3,500 horses × (\$60 + \$60) = \$420,000

Other states with significant horse racing industries have already enacted an equine piroplasmosis testing requirement for track horses. Kentucky and Florida have enacted such a requirement. Because of these requirements, many of the horses visiting Indiana tracks will have already been tested for equine piroplasmosis. BOAH estimates that as many as 2500 of the horses attending Indiana tracks will have already been tested to meet the testing requirements of other states. Therefore, the cost of testing that is directly attributable to Indiana's requirement is as low as between:

1,000 horses × (\$30 + \$35) = \$65,000; and

1,000 horses × (\$60 + \$60) = \$120,000.

**5. Justification for Costs**

The United States Department of Agriculture has determined that equine piroplasmosis is a foreign animal disease and that keeping the U.S. horse population free from the disease is an important national animal health goal. The BOAH supports the national goal through its animal health programs.

The BOAH has been working with the USDA and other states since 2009 to address an outbreak of equine piroplasmosis that has been traced to horses in Indiana and other states. Information obtained by tracing and testing animals associated with this outbreak has shown that there is equine piroplasmosis infection in the nation's thoroughbred race horse population. States, in cooperation with USDA, have begun surveillance in this population to find infected animals.

The BOAH rule is a surveillance rule that seeks to prevent piroplasmosis positive animals from entering Indiana race tracks where they may infect other animals. If a positive equine piroplasmosis animal enters an Indiana track, it may disrupt the housing, training, and racing of horses at that track.

The Indiana rule will aid in the national effort to find and treat piroplasmosis animals so that the United States may maintain a status of being equine piroplasmosis negative in its horse population.

The BOAH determined that the testing costs associated with the rule are outweighed by the benefits of preventing the spread of the disease in Indiana and nationally and preventing disruptions due to disease at Indiana tracks.

## **6. Regulatory Flexibility Analysis**

The BOAH considered not imposing the equine piroplasmosis testing requirement. The Board decided to impose the testing requirement because of the risk associated with equine piroplasmosis positive animals entering race tracks in Indiana where they may spread the disease and disrupt track activities.

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