

Economic Impact Statement

LSA Document #12-621

[IC 4-22-2.1-5](#) Statement Concerning Rules Affecting Small Businesses**1. Description of the Rule**

The proposed rule repeals [345 IAC 7-5-27.5](#), which requires testing for equine piroplasmiasis of any equine animal that is entering the premises where a quarter horse or thoroughbred horse race meet is being held. The rule took effect on July 13, 2011.

2. Description of Affected Industry

The equine piroplasmiasis testing requirement applies to persons with horses at a quarter horse or thoroughbred horse race meet. The Indiana State Board of Animal Health (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 The rule being repealed does not apply to standardbred meets.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.

3. Reporting, Record Keeping, and Other Administrative Costs

The rule being repealed requires a person entering a horse onto the grounds of a quarter horse or thoroughbred horse meet to have a copy of the official test record document showing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. The rule being repealed does not require documentation by the animal owner beyond what they receive from the laboratory. Therefore, the reporting and record keeping requirements being repealed are insignificant.

4. Estimated Total Annual Economic Impact on Small Business

The repeal of this rule will remove a testing cost on equine owners that are taking their horses to a quarter horse or thoroughbred horse race meet. The approximate cost to the owner per test is \$30-\$60 for the veterinary service charge and a laboratory charge of \$35-\$60. With approximately 3,250 horses attending meets annually, the total cost to horse owners of the equine piroplasmiasis testing was between:

$$3,250 \text{ horses} \times (\$30 + \$35) = \$211,250; \text{ and}$$

$$3,250 \text{ horses} \times (\$60 + \$60) = \$390,000$$

However, other states with significant horse racing industries also enacted an equine piroplasmiasis testing requirement for the 2011 and 2012 racing seasons. Because of these requirements, many of the horses visiting Indiana tracks would have already been tested for equine piroplasmiasis. BOAH estimates that as many as 2,500 of the horses attending Indiana tracks would 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:

$$750 \text{ horses} \times (\$30 + \$35) = \$48,750; \text{ and}$$

$$750 \text{ horses} \times (\$60 + \$60) = \$90,000.$$

States across the country have recently removed their testing requirements for equine piroplasmiasis. For example, Illinois, Kentucky, Michigan, and Ohio do not have testing requirements for equine piroplasmiasis. Many states are removing these requirements because the escalation of incidents of the disease in the United States that necessitated the testing has subsided. Therefore, if this rule is not repealed, the annual impact to equine owners would be \$211,250 - \$390,000 because other states are no longer requiring the test.

5. Justification for Costs

The equine piroplasmiasis testing requirement was implemented to address an outbreak of the disease beginning in 2009 that was traced to horses in Indiana and other states. The USDA determined that equine piroplasmiasis is a foreign animal disease and that keeping the U.S. horse population free from the disease was an important national goal.

In furtherance of this goal, states worked in cooperation with USDA to conduct surveillance of the quarter horse and thoroughbred race horse population. The purpose of BOAH's surveillance rule is to prevent piroplasmiasis positive animals from entering Indiana racetracks where they may infect other animals. The Indiana rule aided the national effort to find and treat piroplasmiasis animals so the U.S. could maintain a status of being equine piroplasmiasis negative in its horse population.

Many states have recently decided to remove their testing requirements because the outbreak that necessitated the additional surveillance has subsided. While this requirement served an important purpose during

the 2011 and 2012 racing season, the BOAH has determined that testing costs associated with the requirement outweigh the benefits based on the current national disease status. It is important to align our requirements with other states in order to ensure our racetracks can attract race horses and remain competitive in the industry.

6. Regulatory Flexibility Analysis

The BOAH has determined that repeal of the equine piroplasmiasis rule will provide for less costly alternative methods of achieving the objective of keeping the U.S. horse population free from the disease. This rule was critical to surveillance efforts in the months following the U.S. outbreak. The Board has decided that, due to the success of those efforts, we have entered a status where alternative approaches should be pursued. For example, these approaches could include racetracks implementing their own requirements and collaborating with BOAH on education regarding the disease.

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