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**TITLE 312 NATURAL RESOURCES COMMISSION**

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**Economic Impact Statement**

LSA Document #14-477

**IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses****Estimated Number of Small Businesses Subject to this Rule:**

155 commercial deer processors that will need to meet the requirements to properly dispose of carcasses and other parts of deer in [312 IAC 9-3-10](#).

300 game breeder and exotic cervidae license holders that possess game birds and/or cervidae under [312 IAC 9-10-4](#).

253 nuisance wild animal control permit holders under [312 IAC 9-10-11](#).

10 permit holders that raise, import, and sell paddlefish under [312 IAC 9-10-17](#).

**Estimated Average Annual Reporting, Record Keeping, and Other Administrative Costs Small Businesses Will Incur for Compliance:**

There will be annual costs up to \$500 for small businesses that are commercial deer processors in order to comply with the rule and properly dispose of deer carcasses and other parts under [312 IAC 9-3-10](#).

There will be a different permit required to import, raise, and sell paddlefish from hatcheries as the result of the change in [312 IAC 9-10-17](#), which could result in annual administrative costs for businesses that wish to import and sell paddlefish in Indiana. Estimated costs are \$10 per year per business (\$10 per hour and 1 hour per year to complete the paperwork).

No new costs are required under this section for the changes to the game breeder and exotic cervidae license holders with the changes to [312 IAC 9-10-4](#) or to nuisance wild animal control permit holders with the changes to [312 IAC 9-10-11](#).

**Estimated Total Annual Economic Impact on Small Businesses to Comply:**

Commercial deer processors could have annual costs up to \$500 in order to properly dispose of deer carcasses and other parts under [312 IAC 9-3-10](#).

There will be a different permit (aquaculture permit) required to import, raise, and sell paddlefish from hatcheries as the result of the change in [312 IAC 9-10-17](#), which could result in annual administrative costs. The total economic impact is expected to be \$10 per year per business (\$10 per hour and 1 hour per year to complete the paperwork).

Paddlefish are now entering the live fish market, including fish for stocking private waters and sale to fish markets. Concerns regarding genetic contamination of wild stock and loopholes related to movement of paddlefish and their roe are the basis for the change. [IC 14-22-13-2.5](#) requires a roe harvester's license to possess, harvest, or sell roe (eggs) of roe-bearing species such as paddlefish. In order to maintain consistency with [IC 14-22-13-2.5](#) and [IC 14-22-9-7](#) (sale of fish) and help ensure the legal importation and sale of paddlefish, the DNR would require an aquaculture permit to import, raise, and sell live paddlefish. The aquaculture permit is free of charge and is governed by [312 IAC 9-10-17](#). There would be no economic impact to small businesses if the business is already obtaining an aquaculture permit for triploid grass carp and other species under [312 IAC 9-10-17](#).

There will be a reduction in costs for businesses that have a game breeder and exotic cervidae license since requirements will be less than currently required in [312 IAC 9-10-4\(i\)](#), [312 IAC 9-10-4\(l\)](#), and [312 IAC 9-10-4\(o\)](#). There will also be a reduction in costs for businesses since employees that have nuisance wild animal control permits will have a reduction in continuing education hours with the changes in [312 IAC 9-10-11\(d\)](#).

**Justification Statement of Requirement or Cost:**

State law in [IC 14-22-2-6](#) requires the DNR to develop rules that are based upon "(A) The welfare of the wild animal, (B) The relationship of the wild animal to other animals, and (C) The welfare of the people in [IC 14-22-2-6](#)". Currently, individuals need to register with the DNR each year if they are going to process deer for other people and charge a fee under [312 IAC 9-3-10](#). Currently, there is no legal requirement for how the deer carcasses are disposed of, and local government entities and neighbors of these facilities have complained about the improper disposal of carcasses, insect infestations, and smell from these places. The DNR has received numerous complaints regarding the disposal practices of deer processors. Many are not regulated or inspected by the health department or other agency and have no requirements for how they dispose of deer carcasses they handle. Additionally, the Board of Animal Health's rule in [345 IAC 1-3-31](#) allows people to move carcasses or parts of carcasses, including heads, spinal cords, and small intestines of cervidae taken in other states, to commercial deer processors that are registered by the DNR. However, the DNR currently has no requirements on proper disposal of those parts, only record keeping requirements relative to deer that are taken in to process. This can cause problems if a disease such as chronic wasting disease or bovine tuberculosis would show up in

Indiana's wild deer herd. These changes are needed to help ensure the health of the public.

The change in [312 IAC 9-10-15](#) governing the fish importation permit simply removes paddlefish from the list of species that can be imported without a permit from the DNR. Paddlefish are now entering the live fish market, including fish for stocking private waters and sale to fish markets. Concerns regarding genetic contamination of wild stock and loopholes related to movement of paddlefish and their roe are the basis for the change. [IC 14-22-13-2.5](#) requires a roe harvester's license to possess, harvest, or sell roe (eggs) of roe-bearing species such as paddlefish. In order to maintain consistency with [IC 14-22-13-2.5](#) and [IC 14-22-9-7](#) (sale of fish) and help ensure the legal importation and sale of paddlefish, the DNR would require an aquaculture permit to import, raise, and sell live paddlefish. The aquaculture permit is free of charge and is governed by [312 IAC 9-10-17](#).

**Regulatory Flexibility Analysis of Alternative Methods:**

By not proposing this rule in [312 IAC 9-3-10](#), deer processors could still dispose of deer carcasses without regard to human health and continue to dispose of them in a manner that creates a health hazard or nuisance. The DNR has included "other methods approved by the director" to allow for additional methods other than those listed as long as the carcasses and other parts do not create a nuisance or health hazard and would not spread disease, if detected in the deer that were processed. Some businesses that are commercial deer processors will already be in compliance with this rule and will not incur any additional costs; only those businesses that are not properly disposing of carcasses will be impacted.

Without the change in [312 IAC 9-10-15](#) governing the fish importation permit, individuals and businesses would be able to illegally import live paddlefish into Indiana without a permit from the DNR and potentially be in violation of [IC 14-22-13-2.5](#) governing roe-bearing species of fish. The rule change would require a business to get an aquaculture permit every year, instead of a fish hauler and supplier permit, and it is free of charge. This is expected to impact only 10 businesses a year and changes the type of permit that is required, which is also free of charge.

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