

**Economic Impact Statement**

LSA Document #23-340

**IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses**

A person responsible for moving a horse or other equine into Indiana must ensure that the animal is accompanied by a certificate of veterinary inspection (CVI) that has been issued by a licensed and accredited veterinarian within the past 30 days. [345 IAC 1-3-26.5](#). The rule currently contains a list of exceptions from the CVI requirement that align with the United States Department of Agriculture – Animal and Plant Health Inspection Service (USDA-APHIS) regulations governing the interstate movement of equines. 9 CFR 86.5(f). However, there is an exception in the federal regulations which is not currently in the BOAH rule. This exception allows shipping and receiving states to authorize equines to move with documentation other than a CVI, such as an equine infectious anemia (EIA) test chart.

The proposed rule will amend the BOAH rule to add two new exceptions pursuant to the above-described federal regulation. It will allow an equine to move into Indiana directly to an approved livestock market without a CVI. However, in order to qualify for this exception, the equine must be accompanied by an official EIA test chart. Alternatively, the animal may be tested upon arrival at the market in accordance with BOAH's EIA rule. [345 IAC 6-1.1](#). It adds a second exception that allows an equine to move into Indiana without a CVI if it is moved in accordance with a movement control permit issued by a federal or state agency. The purpose of adding this exemption is to ensure that BOAH's rule accommodates horses moving interstate on a federal VS 1-27, *Permit for Movement of Restricted Animals*, between quarantine stations or quarantined premises. This exception will also address other unique situations where BOAH or USDA-APHIS may be involved in authorizing a restricted movement of an equine under certain conditions but without a CVI.

**1. Description of Affected Industry**

BOAH has 10,426 horse farms in its voluntary premises identification program. According to the 2017 Census of Agriculture, Indiana has 11,956 farms with a population of 77,972 equines. The annual sales value of horses and ponies was \$27,832,000.<sup>1</sup> Indiana has five licensed livestock markets that regularly hold horse sales where horses are brought from out of state. There are also special horse sales that take place at four of Indiana's livestock markets.

The BOAH will involve regulated entities in the development of the rule. Prior to a first reading of a rule at a quarterly board meeting, the agency sends out an email correspondence to subscribed stakeholders making them aware of proposed rule changes so they have the opportunity to provide input. All proposed rules are also placed in multiple areas of the website to provide interested parties as much time as possible to review and comment upon a proposed rule change. The affected industry includes small businesses under the definition at [IC 4-22-2.1-4](#).

**2. Estimated Annual Reporting, Record Keeping, and Other Administrative Costs**

The proposed rule does not include additional record keeping or other administrative costs for the above-described entities.

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

This rule does not increase compliance costs for regulated entities. It is removing the requirement that a horse being moved directly to an approved livestock market be accompanied by a CVI. Adding an exception to the CVI requirement for the movement of horses into Indiana directly to a licensed market will provide an average cost savings to an owner moving an animal to market of \$145 per animal.

BOAH collected data from the above-described markets to determine an estimate of the total number of horse sales at auction markets annually. Based upon this research, BOAH estimates that 13,500-14,000 horses are sold annually at special and routine horse sales. BOAH conducted a second survey of these markets and calculated an average of 38% of these horses are coming from out of state. Therefore, with the approximate 5,225 horses coming into the state annually for horse sales with a savings of \$145 per head, the total cost savings of the proposed rule is estimated at \$757,625. The BOAH estimates that the total estimated impact (cost) of the rule will be less than \$500,000.

**4. Justification of Requirements****a. Compliance with Federal Law**

The proposed rule is not specifically necessary to comply with a federal mandate. However, as described above, there is an exception in the federal regulations which is not currently in the BOAH rule. This exception allows shipping and receiving states to authorize equines to move with documentation other than a CVI, such as an EIA test chart. The purpose of the proposed rule is to amend Indiana's equine CVI requirement

pursuant to this regulation and to align with surrounding states. Specifically, BOAH reached out to state animal health officials in Ohio, Illinois, and Kentucky to ensure that this rule aligns with these states, which will benefit Indiana owners that are frequently moving horses across these state lines.

**b. Compliance with State Law**

The BOAH has the duty to control or prohibit, by permit or other means, the movement and transportation into, out of, or within Indiana of animals in order to prevent, detect, control, or eradicate diseases and pests of animals. [IC 15-17-3-13](#)(4). In order to carry out this duty, the BOAH must periodically update the Moving Animals rule to ensure that animal identification, testing, and documentation requirements are in place that protect Indiana's animal populations from high consequence diseases. [345 IAC 1-3](#). BOAH has determined that the current EIA test requirement, in addition to existing record keeping requirements for the markets, provides critical animal health information to carry out this duty. The proposed change will not negatively impact animal disease traceability because the EIA test chart and market records will contain information sufficient for animal traceability. Therefore, it is appropriate to reduce compliance costs for animal owners by removing the CVI requirement.

**c. Justification of Requirements not Mandated by State or Federal Law**

The proposed rule does not impose any requirement or cost beyond what is expressly required by state or federal law.

**5. Regulatory Flexibility Analysis**

Because the proposed rule is a repeal of a requirement that will reduce the regulatory impact of an existing rule, BOAH did not consider alternative methods to achieve the objectives of the proposed rule.

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<sup>1</sup> *2017 Census of Agriculture – State Data*, United States Department of Agriculture – National Agricultural Statistics Service (USDA-NASS).

*[Notice of Intent was published in the manner set forth in [IC 4-22-2](#), before its amendment July 1, 2023.]*

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