



Economic Impact Analysis Virginia Department of Planning and Budget

2 VAC 5-70 – Health Requirements Governing the Control of Equine Infectious Anemia in Virginia

Department of Agriculture and Consumer Services

October 26, 2009

Summary of the Proposed Amendments to Regulation

The current regulation details requirements for the control of Equine Infectious Anemia (EIA) in Virginia. EIA is a contagious and infectious disease of horses, ponies, jackasses, mules and other animals of the genus *Equus*. The regulation requires the testing for EIA of equine animals to be imported into the state and for those to be assembled for sale, auction and other purposes. Horses found to have EIA are quarantined. Additionally, the current regulation authorizes the State Veterinarian to allow, as an alternative or option, the testing of horses at the market or auction where equines are sold rather than requiring the test before the animals are transported to market.

The Virginia Department of Agriculture and Consumer Services (VDACS) proposes: 1) to amend language to clarify that testing requirements apply to all horses involved in activities on properties where horses owned by two or more owners may come into contact with each other and 2) to eliminate the language on alternate testing requirements for horses assembled for sale or auction in Virginia when authorized by the State Veterinarian.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

The current regulations specify that “All horses assembled at a show, fair, race meet, or other such function in Virginia, must be accompanied by a report of an official negative test for equine infectious anemia conducted within 12 months prior to such event.” According to

VDACS, there has been some confusion as to whether horses that are brought to state parks are subject to the negative test requirement. Thus the agency proposes to specify that the requirement applies to all horses involved in activities on properties where horses owned by two or more owners may come into contact with each other.

VDACS estimates that 2,000 or fewer horses that are currently not already being tested by their owners will need to be tested. Given VDACS' estimate that veterinary practitioners charge \$30.00 for an EIA test, the cumulative monetary impact on horse owners in the Commonwealth will be \$60,000 or less. Horses infected with EIA can die within two to three weeks.¹ Given the relatively small testing cost of \$30 per horse per year, the cost of required testing would seem to be outweighed by the benefit of reduced risk of equine fatalities. VDACS reports that EIA has been present in the Commonwealth in recent years.

According to VDACS, the State Veterinarian has not authorized the testing of horses at the market or auction where equines are sold rather than requiring the test before the animals are transported to market. Thus the proposal to eliminate the language on alternate testing requirements for horses assembled for sale or auction in Virginia when authorized by the State Veterinarian will have no impact beyond the beneficial impact of reducing confusion for the public.

Businesses and Entities Affected

The Virginia Department of Agriculture and Consumer Services estimates that a maximum of 1500 owners owning 2000 horses will be affected by the proposed amendments. The Department estimates that 100 or fewer private businesses, such as horse camps or bed and breakfast establishments that accept horses, will be affected.

Localities Particularly Affected

The proposed amendments potentially affect all localities. Those localities which contain state parks that are frequented by horses are particularly affected.

Projected Impact on Employment

The proposed amendments are unlikely to have a significant net impact on employment.

¹ Source: Virginia Department of Agriculture and Consumer Services

Effects on the Use and Value of Private Property

The proposal to amend language to clarify that testing requirements apply to all horses involved in activities on properties where horses owned by two or more owners may come into contact with each other will likely encourage some additional EIA testing. Veterinarians will likely get some additional business.

Small Businesses: Costs and Other Effects

The proposed amendments are unlikely to increase costs for small businesses.

Small Businesses: Alternative Method that Minimizes Adverse Impact

The proposed amendments are unlikely to adversely affect small businesses.

Real Estate Development Costs

The proposed amendments are unlikely to significantly affect real estate development costs.

Legal Mandate

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.04 of the Administrative Process Act and Executive Order Number 36 (06). Section 2.2-4007.04 requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. Further, if the proposed regulation has adverse effect on small businesses, Section 2.2-4007.04 requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the

regulation. The analysis presented above represents DPB's best estimate of these economic impacts.