



## **Economic Impact Analysis Virginia Department of Planning and Budget**

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**12 VAC 5-105 – Rabies Regulations**  
**Virginia Department of Health**  
May 10, 2012

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### **Summary of the Proposed Amendments to Regulation**

Pursuant to Chapters 182 and 834 of the 2010 Acts of Assembly, the proposed regulations 1) establish a procedure for issuing exemptions for rabies vaccination, and 2) require localities to have a response plan to rabies exposure.

### **Result of Analysis**

There is insufficient data to accurately compare the magnitude of the benefits versus the costs. Detailed analysis of the benefits and costs can be found in the next section.

### **Estimated Economic Impact**

Chapter 182 of the 2010 Acts of Assembly requires the Board of Health to provide an exemption for rabies vaccination if the vaccination would endanger the animal's life. According to the Virginia Department of Health (VDH), some animals may develop life threatening allergic reaction to the rabies vaccination. The proposed regulations will allow a veterinarian to apply to the local health director for an exemption if the animal has a history of severe allergic reaction to the vaccination.<sup>1</sup> Based on data from a neighboring state, on an annual basis, approximately 130 applications may be expected and approximately 100 exemptions may be issued in Virginia.

The main benefit of the proposed change is avoidance of a potentially life threatening allergic reaction the animal may develop. The main cost is the added chances of animal being infected with rabies because it is not vaccinated.

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<sup>1</sup> The proposed exemption is for licensing purposes only in that if the animal is exposed to rabies, euthanasia or 6-month strict isolation will still be required.

In addition, if an exemption is issued, the owner would not have to incur the cost of the vaccination and realize some savings. Each vaccination is estimated to cost approximately \$15 - \$20. However, VDH estimates a veterinarian would have to spend approximately 1 to 2 hours to gather necessary information to complete an exemption application. If a veterinarian chooses to charge for his or her additional time, the owner's compliance costs may increase.

Finally, the local health director would be required to spend some time in reviewing exemption applications.

Another proposed change, pursuant to Chapter 834 of the 2010 Acts of Assembly, requires localities to have a response plan to rabies exposure. VDH estimates that most localities already have a plan they use to respond to rabies exposure. Nonetheless, the proposed regulations also provide a model plan localities may choose to use in part or in total. This proposed change is expected mainly to improve coordination and communication among local government authorities in responding to rabies exposure.

All of the remaining changes appear to be clarifications of current requirements and are not anticipated to create any significant economic impact.

## **Businesses and Entities Affected**

There are 134 local governments, approximately 130 dog or cat owners who are estimated to apply for an exemption, and over 700 full service veterinary hospitals in Virginia.

## **Localities Particularly Affected**

The proposed regulations apply throughout the Commonwealth.

## **Projected Impact on Employment**

Approximately 1 to 2 hours may be required to gather necessary information to complete an exemption application. Also, the local health director would be required to spend some time in reviewing exemption applications. Thus, a small increase in demand for labor may be expected.

## **Effects on the Use and Value of Private Property**

The proposed regulations are not anticipated to have a direct impact on the use and value of private property.

## **Small Businesses: Costs and Other Effects**

The vast majority, if not all, of over 700 full-service veterinary hospitals are believed to be small businesses. As discussed, the proposed exemption may require veterinarians to spend approximately 1 to 2 hours of their time to gather information. Veterinarians will choose whether or not to charge for this additional time.

## **Small Businesses: Alternative Method that Minimizes Adverse Impact**

There is no known alternative that has no effect on veterinarians while accomplishing the same goals.

## **Real Estate Development Costs**

The proposed regulations have no effect on 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.H of the Administrative Process Act and Executive Order Number 14 (10). Section 2.2-4007.H 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.H 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.