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JAN 31 2022

SCOTT SCHWAB
SECRETARY OF STATE

Proposed

**Department of Agriculture, Division of Animal Health
Notice of Hearing on Proposed
Administrative Regulation**

The Kansas Department of Agriculture ("KDA") will conduct a public hearing at 10:00 a.m. on April 13, 2022, to consider the adoption of a proposed regulation. Due to the public health concerns posed by the COVID-19 pandemic, the hearing proceedings will be conducted virtually via video conferencing system only. Anyone desiring to participate in the public hearing via video conference must pre-register at: <https://kansasag.zoom.us/join/9Dcy9MEYW8aiCnjGou>.

This 60-day notice of the public hearing shall constitute a public comment period for the purpose of receiving written public comments regarding the proposed regulation. All interested parties may submit written comments prior to the hearing by mail or email to: Kansas Department of Agriculture, Attn: Ronda Hutton, 1320 Research Park Dr., Manhattan, Kansas 66502 or ronda.hutton@ks.gov. All interested parties will also be given a reasonable opportunity to orally present their views regarding the adoption of the proposed regulation during the hearing. In order to give all parties an opportunity to present their views, it may be necessary to request that each participant limit any oral presentation to five minutes. This regulation is proposed for adoption on a permanent basis. A summary of the proposed regulation and its economic impact follows:

K.A.R. 9-2-36 – The Kansas Department of Agriculture (KDA) is proposing a new regulation pertaining to the cost of official calfhood vaccination tags, which provide a voluntary method for cattle producers to indicate that a heifer has been vaccinated for brucellosis by an accredited veterinarian. Accredited veterinarians purchase official calfhood vaccination tags from KDA and sell them to producers who wish to utilize them. The proposed regulation implements amendments to K.S.A. 47-1831 that were enacted during the 2021 legislative session and allow the Animal Health Commissioner to recoup the actual cost of each official calfhood vaccination tag and to charge an additional processing fee of \$0.20 for each official calfhood vaccination tag. The processing fee allows the Animal Health Commissioner to recover expenses associated with the shipping and handling of official calfhood vaccination tags.

Economic Impact Statement:

The proposed regulation is not mandated by the federal government. KDA is not aware of any similar regulation pertaining to official calfhood vaccination tags in place in contiguous states. State-administered official calfhood vaccination tag programs are new in general, as the United States Department of Agriculture ("USDA") has historically provided tags to accredited veterinarians free of charge but will now cease to do so.

KDA does not anticipate that the proposed regulation will significantly enhance or restrict business activity or growth in Kansas because the proposed regulation only authorizes KDA to recoup the actual cost of each official calfhood vaccination tag purchased by an accredited veterinarian and to collect a \$0.20 shipping and handling fee to recoup overhead expenses currently being carried by KDA. Additionally, the Kansas Livestock Association, the Kansas Animal Health Board, the Kansas Cattlemen's Association, the Kansas Veterinary Medicine Association, Kansas Farm Bureau, and Kansas State University Research and Extension were consulted throughout the development of this regulation and did not express concern that the proposed regulation would restrict their members' business activities or growth.

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The average annual implementation and compliance costs of this regulation will be approximately \$7,754.25. This cost will be imposed on accredited veterinarians who purchase official calfhood vaccination tags and will likely be passed on to cattle producers who elect to utilize the tags. However, the overall direct impact on Kansas businesses as a result of this proposed regulation will be minimal because the use of official calfhood vaccination tags is voluntary and the cost per tag is relatively small. In the past four years, KDA has distributed 19,265 official calfhood vaccination tags. Based on this number of tags, the \$0.20 per tag processing fee proposed in the regulation would result in average annual processing costs of \$963.25. Based on the same number of tags and the average actual cost of an official calfhood vaccination tag, which is \$1.41, the proposed regulation would result in an average annual actual cost of \$6,791 for official calfhood vaccination tags. Accordingly, the proposed regulation will have a minimal effect on the state economy as a whole.

The benefits of the proposed regulation outweigh the costs. The regulation will allow KDA to cover its costs in processing and shipping official calfhood vaccination tags, ensuring KDA is able to offer the tags to Kansas producers. KDA's ability to offer official calfhood vaccination tags is beneficial because the tags provide a cost-effective means for Kansas producers to provide assurance that their cattle have been vaccinated against an infectious disease that has the potential to damage the beef industry. Therefore, the tags promote security and confidence in the industry at a reasonable price to producers.

Further, KDA has entered into contractual agreements with ear tag suppliers that will allow KDA to offer official calfhood vaccination tags to accredited veterinarians at an economical price. Additionally, the \$0.20 per tag processing fee imposed by the regulation will not allow KDA to profit from its processing and shipping of tags—it is only enough to allow KDA to cover the costs it incurs in performing those activities. Moreover, accredited veterinarians are not required to utilize the official calfhood vaccination tags offered by KDA—they may provide producers with metal tags to confirm brucellosis vaccination, which will continue to be provided by USDA free of charge.

KDA does not anticipate that the proposed regulation will significantly increase or decrease the revenues of Kansas cities, counties or school districts, or impose functions or responsibilities on cities, counties or school districts that will increase their expenditures or fiscal liability. Letters were sent to the League of Kansas Municipalities, the Kansas Association of School Boards, and the Kansas Association of Counties inquiring as to whether those entities believed the proposed regulation would impose increased costs or responsibilities on their members. No responses were received from those entities.

Additionally, both during the development of the amendments to K.S.A. 47-1831 that authorize this regulation and during development of the regulation itself, KDA engaged with state and local government representatives and numerous industry stakeholders, soliciting input from the Kansas Livestock Association, the Kansas Animal Health Board, the Kansas Cattlemen's Association, the Kansas Veterinary Medicine Association, Kansas Farm Bureau, and Kansas State University Research and Extension.

The proposed regulation presents no environmental impact.

Any individual with a disability may request accommodations to participate in the public hearing and may request the proposed regulation and economic impact statement in an accessible

format. Requests for accommodations should be made at least five working days in advance of the hearing by contacting Ronda Hutton, via telephone at (785) 564-6715 or via fax at (785) 564-6777.

Copies of the regulation and its economic impact statement may be obtained by contacting KDA via mail at the Kansas Department of Agriculture, Attn: Ronda Hutton, 1320 Research Park Drive, Manhattan, KS 66502, via telephone at (785) 564-6715, or via KDA's website at: agriculture.ks.gov. Comments may also be made via KDA's website at: <https://www.agriculture.ks.gov/document-services/public-comment>.

Mike Beam
Secretary
Kansas Department of Agriculture

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K.A.R. 9-2-36. Official calfhood vaccination tag; fees. Any accredited veterinarian licensed in Kansas may request official calfhood vaccination tags from the animal health commissioner subject to any required fees. The fees may include reimbursement to the animal health commissioner for the actual cost of each official calfhood vaccination tag and a processing fee of \$.20 for each official calfhood vaccination tag. All applicable fees shall be specified in a written or an electronic invoice provided by the animal health commissioner before shipping the requested official calfhood vaccination tags. (Authorized by and implementing K.S.A. 47-1831; effective P- _____.)

APPROVED

DEC 29 2021

DIVISION OF THE BUDGET

APPROVED

DEC 29 2021

DEPT. OF ADMINISTRATION

APPROVED

JAN 13 2022

ATTORNEY GENERAL

RECEIVED

JAN 31 2022

SCOTT SCHWAB
SECRETARY OF STATE

**Kansas Administrative Regulations
Economic Impact Statement
For the Kansas Division of the Budget**

Kansas Department of Agriculture
Agency

Ronda Hutton
Agency Contact

785-564-6715
Contact Phone Number

K.A.R. 9-2-36
K.A.R. Number(s)

Submit a hard copy of the proposed rule(s) and regulation(s) and any external documents that the proposed rule(s) and regulation(s) would adopt, along with the following to:

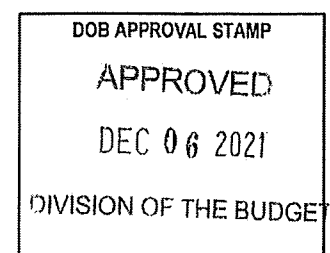
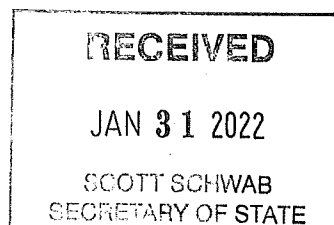
Division of the Budget
900 SW Jackson, Room 504-N
Topeka, KS 66612

I. Brief description of the proposed rule(s) and regulation(s).

The Kansas Department of Agriculture ("KDA") is proposing a new regulation pertaining to the cost of official calfhood vaccination tags, which provide a voluntary method for cattle producers to indicate that a heifer has been vaccinated for brucellosis by an accredited veterinarian. Accredited veterinarians purchase official calfhood vaccination tags from KDA and sell them to producers who wish to utilize them. The proposed regulation implements amendments to K.S.A. 47-1831 that were enacted during the 2021 Legislative Session and allow the Animal Health Commissioner to recoup the actual cost of each official calfhood vaccination tag and to charge an additional processing fee of \$0.20 for each official calfhood vaccination tag. The processing fee allows the Animal Health Commissioner to recover expenses associated with the shipping and handling of official calfhood vaccination tags.

II. Statement by the agency if the rule(s) and regulation(s) is mandated by the federal government and a statement if approach chosen to address the policy issue is different from that utilized by agencies of contiguous states or the federal government. *(If the approach is different, then include a statement of why the Kansas rule and regulation proposed is different)*

The proposed regulation is not mandated by the federal government. KDA is not aware of any similar regulation pertaining to official calfhood vaccination tags in place in contiguous states. State-administered official calfhood vaccination tag programs are new in general, as the United States Department of Agriculture has historically provided tags to accredited veterinarians free of charge but will now cease to do so.



III. Agency analysis specifically addressing following:**A. The extent to which the rule(s) and regulation(s) will enhance or restrict business activities and growth;**

KDA does not anticipate that the proposed regulation will significantly enhance or restrict business activity or growth in Kansas because the proposed regulation only authorizes KDA to recoup the actual cost of each official calfhood vaccination tag purchased by an accredited veterinarian and to collect a \$0.20 shipping and handling fee to recoup overhead expenses currently being carried by KDA. Additionally, the Kansas Livestock Association, the Kansas Animal Health Board, the Kansas Cattlemen's Association, the Kansas Veterinary Medicine Association, Kansas Farm Bureau, and Kansas State University Research and Extension were consulted throughout the development of this regulation and did not express concern that the proposed regulation would restrict their business activities or growth.

B. The economic effect, including a detailed quantification of implementation and compliance costs, on the specific businesses, sectors, public utility ratepayers, individuals, and local governments that would be affected by the proposed rule and regulation and on the state economy as a whole;

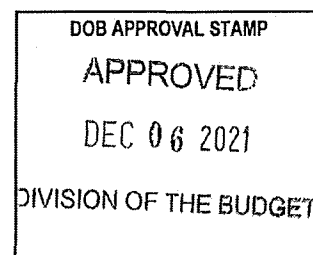
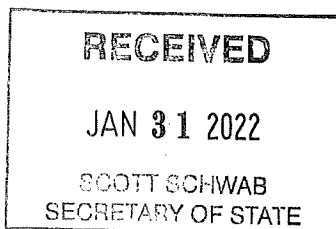
The average annual implementation and compliance costs of this regulation will be approximately \$7,754.25. This cost will be imposed on accredited veterinarians who purchase official calfhood vaccination tags and will likely be passed on to cattle producers who elect to utilize the tags. The proposed regulation will have a minimal effect on the state economy as a whole.

C. Businesses that would be directly affected by the proposed rule and regulation;

Accredited veterinarians who purchase official calfhood vaccination tags will be directly affected by the proposed regulation and may pass the increased costs that they incur on to cattle producers who utilize official calfhood vaccination tags. However, the overall direct impact on Kansas businesses as a result of these proposed regulation will be minimal because the use of official calfhood vaccination tags is voluntary and the cost per tag is relatively small.

D. Benefits of the proposed rule(s) and regulation(s) compared to the costs;

The benefits of the proposed regulation outweigh the costs. The regulation will allow KDA to cover its costs in processing and shipping official calfhood vaccination tags, ensuring KDA is able to offer the tags to Kansas producers. KDA's ability to offer official calfhood vaccination tags is beneficial because the tags provide a cost-effective means for Kansas producers to provide assurance that their cattle have been vaccinated against an infectious disease that has the potential to damage the beef industry. Therefore, the tags promote security and confidence in the industry at a reasonable price to producers.



E. Measures taken by the agency to minimize the cost and impact of the proposed rule(s) and regulation(s) on business and economic development within the State of Kansas, local government, and individuals;

KDA has entered into contractual agreements with ear tag suppliers that will allow KDA to procure large quantities of ear tags so that official calfhood vaccination tags are available to accredited veterinarians at the most economical price. Additionally, the per tag processing fee imposed by the regulation will not allow KDA to profit from its processing and shipping of tags—it is only enough to allow KDA to cover the costs it incurs in those activities. Furthermore, accredited veterinarians may provide producers with metal tags that are provided by USDA free of charge.

F. An estimate, expressed as a total dollar figure, of the total annual implementation and compliance costs that are reasonably expected to be incurred by or passed along to business, local governments, or members of the public.

The average annual implementation and compliance costs of this regulation will be approximately \$7,754.25, incurred by accredited veterinarians who purchase official calfhood vaccination tags and likely passed on to cattle producers who elect to utilize the tags.

Do the above total implementation and compliance costs exceed \$3.0 million over any two-year period?

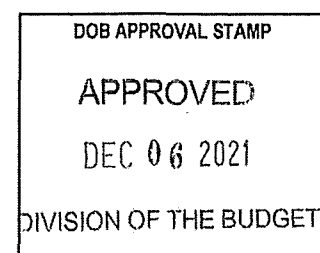
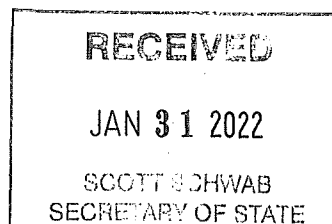
YES ☐ NO ☒

Give a detailed statement of the data and methodology used in estimating the above cost estimate.

In the past four years, KDA has distributed 19,265 official calfhood vaccination tags. Based on this number of tags, the \$0.20 per tag processing fee proposed in the regulation would result in an average annual cost of \$963.25. Additionally, based on this number of tags and the average cost of an official calfhood vaccination tag which is \$1.41, the proposed regulation would result in an average annual actual cost of \$6,791 for official calfhood vaccination tags.

Prior to the submission or resubmission of the proposed rule(s) and regulation(s), did the agency hold a public hearing if the total implementation and compliance costs exceed \$3.0 million over any two-year period to find that the estimated costs have been accurately determined and are necessary for achieving legislative intent? If applicable, document when the public hearing was held, those in attendance, and any pertinent information from the hearing.

YES ☐ NO ☒



- G. If the proposed rule(s) and regulation(s) increases or decreases revenues of cities, counties or school districts, or imposes functions or responsibilities on cities, counties or school districts that will increase expenditures or fiscal liability, describe how the state agency consulted with the League of Kansas Municipalities, Kansas Association of Counties, and/or the Kansas Association of School Boards.**

KDA does not anticipate that the proposed regulation will significantly increase or decrease revenues of cities, counties or school districts, or imposes functions or responsibilities on cities, counties or school districts that will increase their expenditures or fiscal liability. Letters were sent to the League of Kansas Municipalities, the Kansas Association of School Boards, and the Kansas Association of Counties inquiring as to whether those entities believed the proposed regulation would impose increased costs or responsibilities on their members. No responses were received from those entities.

- H. Describe how the agency consulted and solicited information from businesses, associations, local governments, state agencies, or institutions and members of the public that may be affected by the proposed rule(s) and regulation(s).**

Both during the development of the amendments to K.S.A. 47-1831 that authorize this regulation and during development of the regulation itself, KDA engaged with state and local government representatives and numerous industry stakeholders, including soliciting input from the Kansas Livestock Association, the Kansas Animal Health Board, the Kansas Cattlemen's Association, the Kansas Veterinary Medicine Association, Kansas Farm Bureau, and Kansas State University Research and Extension.

- I. For environmental rule(s) and regulation(s) describe the costs that would likely accrue if the proposed rule(s) and regulation(s) are not adopted, as well as the persons would bear the costs and would be affected by the failure to adopt the rule(s) and regulation(s).**

The proposed regulation presents no environmental impact.

