Dear Senators HARTGEN, Nichols, Semmelroth, and Representatives ANDRUS, Raymond, Mathias:

The Legislative Services Office, Research and Legislation, has received the enclosed rules of the Idaho State Police - Idaho State Brand Board:

IDAPA 11.02.01 - Rules of the Idaho State Brand Board (Fee Rule) - Proposed Rule (Docket No. 11-0201-2301).

Pursuant to Section 67-454, Idaho Code, a meeting on the enclosed rules may be called by the cochairmen or by two (2) or more members of the subcommittee giving oral or written notice to Research and Legislation no later than fourteen (14) days after receipt of the rules' analysis from Legislative Services. The final date to call a meeting on the enclosed rules is no later than 11/03/2023. If a meeting is called, the subcommittee must hold the meeting within forty-two (42) days of receipt of the rules' analysis from Legislative Services. The final date to hold a meeting on the enclosed rules is 12/01/2023.

The germane joint subcommittee may request a statement of economic impact with respect to a proposed rule by notifying Research and Legislation. There is no time limit on requesting this statement, and it may be requested whether or not a meeting on the proposed rule is called or after a meeting has been held.

To notify Research and Legislation, call 334-4854, or send a written request to the address on the memorandum attached below.



Terri Kondeff Director

# Legislative Services Office Idaho State Legislature

Serving Idaho's Citizen Legislature

## MEMORANDUM

- **TO:** Rules Review Subcommittee of the Senate Agricultural Affairs Committee and the House Agricultural Affairs Committee
- FROM: Deputy Division Manager Katharine Gerrity
- **DATE:** October 13, 2023
- SUBJECT: Idaho State Police Idaho State Brand Board
- IDAPA 11.02.01 Rules of the Idaho State Brand Board (Fee Rule) Proposed Rule (Docket No. 11-0201-2301)

### Summary and Stated Reasons for the Rule

The Idaho State Police - Idaho State Brand Board submit notice of proposed rule at IDAPA 11.02.01 - Rules of the Idaho State Brand Board. This is a fee rule. According to the board, in July of 2022 the board received a cooperative request from the livestock industries asking for formulation of a brand fee working group made up of stakeholders. The purpose of the working group was to study the need for fee adjustments, to improve efficiencies and reduce costs within administration and operation of the brand inspector's office, as well as to make recommendations for a long-range plan to address budget shortfalls. The board notes that the board experienced an \$85,000 deficit in FY2023. An ongoing budget shortfall is anticipated if a fee increase is not made. According to the board inspection fees have not been increased since FY2017.

The board states that the proposed rulemaking increases the cattle brand inspection fee by 0.06 per head inspected; changing the total fee charged from 01.19 to 1.25 per head of cattle inspected. The fee increase moves the brand board cattle brand inspection fee to the statutory cap of 1.25 per head set in Section 25-1160(1)(a), Idaho Code. For clarification purposes, the increase in cattle brand inspection fee also affects the fee charged for the cattle courtesy brand inspection fee, increasing it from 1.19 to 1.25 and the Idaho livestock to pasture fee for cattle from 0.60 to 0.63.

## **Negotiated Rulemaking / Fiscal Impact**

The board notes that negotiated rulemaking was conducted and that there is no impact to the general fund. The board also indicated that it estimates \$126,000 will be generated to the Idaho State Brand Board from the livestock industry.

## **Statutory Authority**

The rulemaking appears to be authorized pursuant to Sections 25-1102, 25-1110, 25-1160, and 25-1161, Idaho Code.

Paul Headlee, Deputy DirectorMatt Drake, ManagerKeith Bybee, ManagerApril Renfro, ManagerNorma Clark, ManagerLegislative Services OfficeResearch & LegislationBudget & Policy AnalysisLegislative AuditsInformation Technology

cc: Idaho State Police - Idaho State Brand Board Tecia Ferguson

## \*\*\* PLEASE NOTE \*\*\*

Per the Idaho Constitution, all administrative rules may be reviewed by the Legislature during the next legislative session. The Legislature has 3 options with this rulemaking docket: 1) Approve the docket in its entirety; 2) Reject the docket in its entirety; or 3) Reject the docket in part.

#### IDAPA 11 – IDAHO STATE POLICE STATE BRAND BOARD

#### 11.02.01 – RULES OF THE IDAHO STATE BRAND BOARD

#### DOCKET NO. 11-0201-2301 (FEE RULE)

#### NOTICE OF RULEMAKING – PROPOSED RULE

**AUTHORITY:** In compliance with Section 67-5221(1), Idaho Code, notice is hereby given that this agency has initiated proposed rulemaking procedures. The action is authorized pursuant to Section(s) 25-1102, 25-1110, 25-1160, and 25-1161 Idaho Code.

**PUBLIC HEARING SCHEDULE:** Public hearing(s) concerning this rulemaking will be scheduled if requested in writing by twenty-five (25) persons, a political subdivision, or an agency, not later than October 18, 2023.

The hearing site(s) will be accessible to persons with disabilities. Requests for accommodation must be made not later than five (5) days prior to the hearing, to the agency address below.

**DESCRIPTIVE SUMMARY:** The following is a nontechnical explanation of the substance and purpose of the proposed rulemaking:

On July 18, 2022, the Idaho State Brand Board received a cooperative request from the Livestock Industries asking for formulation of a Brand Fee Working Group comprised of stakeholders, to study the need for fee adjustments, the potential to improve efficiencies and reduce costs within administration and operation of the brand inspector's office, and to develop recommendations for a long-range plan to address anticipated budget shortfalls within the Idaho Brand Board. Since that time, the formulated stakeholder group held multiple meetings to evaluate the foregoing. As a mutual result, the Brand Board initiated and carried out negotiated rulemaking to pursue an increase in the per head fee(s) charged for cattle brand inspection and any alternative as brought forth through the negotiated rulemaking process. This proposed rule is the collective outcome of the negotiated rulemaking.

The Brand Board experienced an \$85,000 financial deficit in FY2023 and will face an ongoing budgetary shortfall if this fee is not increased. The Brand Board has not imposed a cattle brand inspection fee increase since FY2017.

FEE SUMMARY: The following is a specific description of the fee or charge imposed or increased:

The proposed rulemaking increases the cattle brand inspection fee by 0.06 per head inspected; changing the total fee charged from 01.19 to 1.25 per head of cattle inspected. The fee increase moves the Brand Board cattle brand inspection fee to the statutory cap of 1.25 per head set in Section 25-1160(1)(a), Idaho Code. For clarification purposes, the increase in cattle brand inspection fee also affects the fee charged for the cattle courtesy brand inspection fee, increasing it from 1.19 to 1.25 and the Idaho livestock to pasture fee for cattle from 0.60 to 0.63.

According to Title 25-1160(5) "The state brand board may adopt a schedule or schedules of fees which are below the maximum fees and may adjust such schedule or schedules from time to time whenever such board finds that the cost of administering and enforcing the laws of the state of Idaho for brand inspection of livestock can be maintained with such below-maximum fees."

**FISCAL IMPACT:** The following is a specific description, if applicable, of any negative fiscal impact on the state general fund greater than ten thousand dollars (\$10,000) during the fiscal year resulting from this rulemaking:

There is no negative impact to the State General Fund. An estimated \$126,000 will be generated to the Idaho State Brand Board from the Idaho livestock industry.

**NEGOTIATED RULEMAKING:** Pursuant to Section 67-5220(1), Idaho Code, negotiated rulemaking was conducted. The Notice of Intent to Promulgate Rules - Negotiated Rulemaking was published in the July 5, 2023, Idaho Administrative Bulletin, Volume 23-7 Page 22.

**INCORPORATION BY REFERENCE:** Pursuant to Section 67-5229(2)(a), Idaho Code, the following is a brief synopsis of why the materials cited are being incorporated by reference into this rule: N/A

#### ISP – STATE BRAND BOARD Rules of the Idaho State Brand Board

**ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS:** For assistance on technical questions concerning the proposed rule, contact State Brand Inspector, Cody Burlile at (208) 884-7070.

Anyone may submit written comments regarding this proposed rulemaking. All written comments must be directed to the undersigned and must be delivered on or before October 25, 2023.

DATED this 29th day of August, 2023.

Cody D. Burlile State Brand Inspector Idaho State Brand Board 700 S. Stratford Dr. P.O. Box 1177 Meridian, ID 83680-1177 (208) 884-7070 phone, (208) 884-7097 fax

#### THE FOLLOWING IS THE PROPOSED TEXT OF FEE DOCKET NO. 11-0201-2301 (Only Those Sections With Amendments Are Shown.)

#### 034. SCHEDULE OF FEES.

<b>01. Fees.</b> Fees authorized by the Board and to be collected by the Brand Inspector are as fo
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SCHEDULE OF FEES			
Recording of a Brand	\$50 initial recording fee plus a \$20 per year prorated staggered recording fee every year thereafter		
Transfer of a recorded brand	\$50.00		
Renewal of a recorded brand (every five years)	\$100.00		
Duplicate brand registration certificate	\$1.50		
Lifetime ownership and transportation certificate	\$50.00		
Duplicate lifetime ownership and transportation certificate	\$5.00		
Annual inspection equine or bovine	\$5.00		
	CATTLE	HORSES	
Brand inspection (per head)	\$ <del>1.19<u>1.25</u></del>	\$5.00	
Idaho livestock to pasture (per head)	\$. <del>60<u>63</u></del>	\$2.50	
Minimum auction fee (per day)	\$50.00	\$50.00	
Minimum field brand inspection fee	\$20.00	\$20.00	
Equine farm service fee		\$45.00	
Courtesy brand inspection	\$ <del>1.19<u>1.25</u></del>	\$5.00	

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Fees To Be Collected By The State Brand Inspector For Other State Agencies:			
Idaho Beef Council (per head)	\$1.50		
Idaho Horse Board (per head)	\$3.00		
Idaho Department of Agriculture:			
Animal Disease Control (per head)	\$.22		
Animal Damage Control (per head)	\$.05		
Wolf Control Assessment	\$25/brand renewal \$5/staggered recording fee every year thereafter		

#### <del>(3-15-22)</del>(\_\_\_\_)

02. Due and Payable. All brand inspection fees, and all other fees required to be collected by the Brand Inspector are due and payable at the time of inspection, except that livestock owners may make arrangements with a deputy brand inspector and approved by the state brand inspector to pay for all accumulated brand inspection fees to be paid at least monthly. Failure to comply with the payment arrangement makes all fees immediately due and payable. (3-15-22)

**03. Minimum Fees.** Feedlots, currently approved by the Idaho Department of Agriculture, and slaughter plants are exempt from the minimum brand inspection fee. Other minimum brand inspection fees may be waived at the discretion of the State Brand Inspector or District Brand Supervisor. (3-15-22)

## PROPOSED RULE COST/BENEFIT ANALYSIS

Section 67-5223(3), Idaho Code, requires the preparation of an economic impact statement for all proposed rules imposing or increasing fees or charges. This cost/benefit analysis, which must be filed with the proposed rule, must include the reasonably estimated costs to the agency to implement the rule and the reasonably estimated costs to be borne by citizens, or the private sector, or both.

## Department or Agency: Idaho Brand Board - Idaho State Police

Agency Contact: Cody D. Burlile, State Brand Inspector Phone: 208-884-7070

Date: 05/31/2023

IDAPA, Chapter and Title Number and Chapter Name:

11.02.01, Rules of the Idaho State Brand Board

 Fee Rule Status:
 XX Proposed
 Temporary

Rulemaking Docket Number: 11-0201-2301

#### STATEMENT OF ECONOMIC IMPACT:

There is no negative impact to the State General Fund. An estimated \$126,000 will be generated from the Idaho livestock industry.