

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

<p>1. Type of Estimate and Analysis</p> <p><input type="checkbox"/> Original <input checked="" type="checkbox"/> Updated <input type="checkbox"/> Corrected</p>	<p>2. Date</p> <p>11/10/2023</p>								
<p>3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable)</p> <p>Chs. NR 19 (MISCELLANEOUS FUR, FISH, GAME AND OUTDOOR RECREATION) and NR 20 (FISHING: INLAND WATERS; OUTLYING WATERS)</p>									
<p>4. Subject</p> <p>FH-13-22, Wild Bait Harvest Regulations</p>									
<p>5. Fund Sources Affected</p> <p><input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S</p>	<p>6. Chapter 20, Stats. Appropriations Affected</p>								
<p>7. Fiscal Effect of Implementing the Rule</p> <table style="width: 100%;"><tr><td><input type="checkbox"/> No Fiscal Effect</td><td><input type="checkbox"/> Increase Existing Revenues</td><td><input type="checkbox"/> Increase Costs</td><td><input type="checkbox"/> Decrease Costs</td></tr><tr><td><input checked="" type="checkbox"/> Indeterminate</td><td><input type="checkbox"/> Decrease Existing Revenues</td><td colspan="2"><input checked="" type="checkbox"/> Could Absorb Within Agency's Budget</td></tr></table>		<input type="checkbox"/> No Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs	<input type="checkbox"/> Decrease Costs	<input checked="" type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input checked="" type="checkbox"/> Could Absorb Within Agency's Budget	
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<p>8. The Rule Will Impact the Following (Check All That Apply)</p> <table style="width: 100%;"><tr><td><input type="checkbox"/> State's Economy</td><td><input checked="" type="checkbox"/> Specific Businesses/Sectors</td></tr><tr><td><input type="checkbox"/> Local Government Units</td><td><input type="checkbox"/> Public Utility Rate Payers</td></tr><tr><td></td><td><input checked="" type="checkbox"/> Small Businesses (if checked, complete Attachment A)</td></tr></table>		<input type="checkbox"/> State's Economy	<input checked="" type="checkbox"/> Specific Businesses/Sectors	<input type="checkbox"/> Local Government Units	<input type="checkbox"/> Public Utility Rate Payers		<input checked="" type="checkbox"/> Small Businesses (if checked, complete Attachment A)		
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<p>9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137(3)(b)(1).</p> <p>\$1,840 in total per year or less, depending on smartphone ownership by commercial bait harvesters. This cost would not take effect immediately upon implementation of the rule—only when electronic reporting is required starting in 2028.</p>									
<p>10. Would Implementation and Compliance Costs Businesses, Local Governmental Units and Individuals Be \$10 Million or more Over Any 2-year Period, per s. 227.137(3)(b)(2)?</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>									
<p>11. Policy Problem Addressed by the Rule</p> <p>Bait harvest regulations are established to manage harvest of wild bait, especially minnows, from waters of the state. These regulations are important for allowing bait harvesters and anglers of Wisconsin fair and equitable access to and use of bait fish, while maintaining populations of these fish as forage for native game and non-game fish and other wildlife. Bait harvest regulations also help mitigate the spread of aquatic invasive species and disease and minimize disturbances to sensitive aquatic resources. This rule aims to modernize bait harvest regulations to improve permitting and reporting efficiency for bait harvesters and the department while continuing to protect wild fish populations. Enhanced reporting will provide additional data to the department, which will serve as a basis for better understanding and managing minnow populations and making future policy recommendations. This rule would also create a white sucker spawning permit for collection of eggs to rear for use as bait. These rule changes will also update gear use regulations to meet current needs.</p>									
<p>12. Summary of the Businesses, Business Sectors, Associations Representing Business, Local Governmental Units, and Individuals that may be Affected by the Proposed Rule that were Contacted for Comments.</p> <p>The department has engaged individual bait dealers representing small businesses that harvest and sell wild bait during development of this rule. Bait dealers have also been invited to participate in public input opportunities regarding potential rule options, and were contacted for input on potential economic impacts as well.</p>									
<p>13. Identify the Local Governmental Units that Participated in the Development of this EIA.</p> <p>Local governmental units are not expected to be impacted by this rule, and none provided input through the solicitation of comments on economic impacts of this rule.</p>									

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14. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred)

This rule will have a minimal economic impact (less than \$50,000 in total) on commercial bait harvesters and their businesses. No new costs are expected as a result of revising the wild bait harvest permit duration and creating a white sucker harvest permit, nor for changes to non-standard gear permit conditions. Commercial bait harvesters are already required to record information on their minnow harvests and disposition and maintain records for inspection upon the request of department staff. The main costs would stem from reporting minnow harvest activities electronically for bait dealers that do not currently own a smartphone; however, paper reporting will be allowed in the short-term after implementing this rule, so additional costs are not expected upon implementation. Additionally, according to the Pew Research Center (1), an estimated 85 percent of American adults owns a smartphone. Based on this estimate, we assumed that about 8 of the 55 licensed commercial bait harvesters do not own a phone with internet access. Assuming a cheap smartphone and plan would cost about \$230 a year, the total compliance cost for the group of bait harvesters without phones would be approximately \$1,840 per year.

Some bait dealers commented that the prohibition on commercial bait harvest on VHS-affected waters has cost them thousands of dollars over the years since the bait harvest prohibition went into effect. Those perceived costs are a result of the 2007-08 rules that implemented the minnow harvest prohibition on VHS-affected waters, not this rule, which makes no changes to the prohibition.

1. Demographics of mobile device ownership and adoption in the United States. (2021, April 07). Retrieved June 13, 2023, from <https://www.pewresearch.org/internet/fact-sheet/mobile/>.

15. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

This rule will facilitate gathering much-needed data on minnow harvest from trout streams and other waterbodies across the state. These data will be used to provide a basis for future regulation changes as well as to manage minnow harvest on high-use waterbodies. Under current rules, commercial bait harvesters are required to record information on their minnow harvest activities, but are not required to submit regular reports to the department. Therefore, there is no efficient way for the department to obtain this minnow harvest information, as the department would have to ask each individual bait dealer for records under the current rules. Reporting as required under this rule would provide this minnow harvest information to the department in a standardized way and on a predictable timeline to enhance the quality of the data that the department receives on minnow harvest. The wild bait harvest dataset will serve as a foundation for future management decisions on wild bait harvest across the state. This rule also extends the wild bait harvest permit duration, which reduces the burden on commercial bait harvesters to apply each month for a permit while still meeting the needs of the department to exercise oversight over bait harvest activities from waters of the state. This rule also contains provisions to allow the department to better manage minnow populations, such as through more flexibility in setting permit conditions. This rule also shifts the department's approach to authorizing bait dealers to harvest white sucker eggs and milt through establishment of a white sucker spawning permit in place of cooperative agreements, which will also reduce the administrative burden on the department. If this rule is not implemented, some of the key regulation changes that bait harvesters have been requesting for years will remain unfulfilled, and the department will not be able to build an adequate dataset for evaluating future regulation change requests.

16. Long Range Implications of Implementing the Rule

Implementing this rule will provide data on minnow harvest in a more efficient way to build a bait harvest dataset, which will ultimately help inform future management decisions relating to minnow harvest at a waterbody-specific level as well as more broadly across the state.

17. Compare With Approaches Being Used by Federal Government

No federal statutes or regulations apply. States possess inherent authority to manage the fishery and wildlife resources located within their boundaries, except insofar as preempted by federal treaties and laws, including regulations established in the Federal Register.

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18. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

Minnesota requires minnow dealers to obtain a minnow dealer license to harvest bait from the wild to sell as bait.¹ In addition, the minnow dealer must possess a minnow retailer license to sell bait from more than one retail location, a minnow dealer vehicle license to transport more than 12 dozen minnows, and an exporting minnow dealer license to export minnow out of the state. Minnows also may not be harvested from waters infested with invasive species unless the minnow dealer is issued a permit, and all minnow dealers must complete annual invasive species training. Minnow dealers also may only harvest certain species from waters designated as free of viral hemorrhagic septicemia in the past year. A minnow dealer must also obtain a separate permit to harvest minnows in trout waters. Minnesota also requires an annual report form of bait sales to be submitted.

For personal bait harvest, Minnesota requires that the water in live bait buckets be exchanged for tap or bottled water before moving minnows away from the waterbody. Minnesota also restricts personal minnow harvest on certain waters without a permit, and restricts harvest on waters infested with invasive species, specifying that bait taken from these waters may not be moved live away from these waters. Gear regulations also apply for personal bait harvest, as well as a variety of species-specific restrictions to prevent the spread of VHS.²

Iowa requires a bait dealer license to sell bait. Bait dealers may not export bait taken from the wild. To use gear larger than specified in the bait dealer regulations, the bait dealer must apply for a permit. The Iowa Department of Natural Resources can restrict waters where bait harvest is allowed to protect minnow populations for management purposes. Anglers can harvest bait for personal use, but may not transport the bait in lake or river water and instead must bring clean water in which to transport the bait to prevent the spread of invasive species. Certain gear regulations apply for legal minnow harvest gear.³

In Illinois, bait harvest gear are restricted to certain dimensions. Minnow dealers must obtain a retail minnow dealers license or wholesale minnow dealers license.⁴

Michigan requires anglers to use bait fish in the waters where collected. Some waters are protected from bait harvest for fishery management purposes. Species that are considered to be VHS species must be labeled with their scientific and common name, location of capture, and testing status prior to being imported.⁵ Michigan also requires two types of bait dealer licenses—retail or wholesale—with a commercial bait catcher license for dealers that harvest minnows from the wild to sell by retail or wholesale. Commercial bait catchers are required to submit monthly reports of daily fishing activity online. Commercial bait catchers are also restricted to certain waters and certain gear types and sizes when harvesting bait.⁶ Commercial bait catchers may harvest minnows from the Great Lakes, but between Oct. 1 and May 31 each year the bait catcher must test all disease-susceptible minnows harvested from these waters for disease and the DNR must certify them as free of disease before they can be sold.⁷ During the remaining months of the year, bait catchers must conduct one joint sampling effort for fish to test for disease.

1. "Minnow Dealer License." *Minnesota Department of Natural Resources*, Minnesota Department of Natural Resources, 2023. <https://www.dnr.state.mn.us/fishing/commercial/minnowdealer/index.html>.

2. *MINNESOTA FISHING REGULATIONS*. Minnesota Department of Natural Resources, 2023. https://files.dnr.state.mn.us/rlp/regulations/fishing/fishing_regs.pdf?v=2023.05.26-15.32.04

3. "BAIT DEALER 481A.144 LICENSED BAIT DEALER REQUIREMENTS." Iowa Department of Natural Resources. https://www.iowadnr.gov/portals/idnr/uploads/fish/programs/files/wholesale_bait_dealer_regs.pdf

4. "2023 REGULATION INFORMATION." Illinois Department of Natural Resources, 2022. <https://www.ifishillinois.org/regulations/FishingDigest.pdf>

5. *Michigan Fishing Guide*. Michigan Department of Natural Resources, 2022. https://www.michigan.gov/dnr/-/media/Project/Websites/dnr/Documents/LED/digests/2023_fishing_guide.pdf?rev=ed5c7998ed65405985b458199c14a67c

6. "Bait." *Michigan.gov*, Michigan Department of Natural Resources, 2023. <https://www.michigan.gov/dnr/managing-resources/fisheries/business/bait>.

7. "Fish Disease Control Order 245.21." Michigan Department of Natural Resources, 2021. https://www.michigan.gov/dnr/-/media/Project/Websites/dnr/Documents/Boards/NRC/2021/folder1/FO-245_21ActionAuthorityUpdate.pdf?rev=903721496883455aa3b4d75c00fa9911.

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ATTACHMENT A

1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

This rule will mainly impact bait dealers who harvest minnows from waters of the state. This rule will have a minimal economic impact (less than \$50,000 in total) on bait harvesters and their businesses. No new costs are expected as a result of revising the wild bait harvest permit duration and creating a white sucker harvest permit, nor for changes to the non-standard gear permit. Commercial bait harvesters are already required to record information on their minnow harvests and disposition and maintain records for inspection upon the request of department staff. The main costs would stem from reporting minnow harvest activities electronically for bait dealers that do not currently own a smartphone; however, paper reporting will be allowed in the short-term after implementing this rule, so additional costs are not expected upon implementation.

Some bait dealers commented that the prohibition on commercial bait harvest on VHS-affected waters has cost them thousands of dollars over the years since the bait harvest prohibition went into effect. Those perceived costs are a result of the 2007-08 rules that implemented the harvest prohibition, not this rule, which makes no changes to the prohibition.

2. Summary of the data sources used to measure the Rule's impact on Small Businesses

According to the Pew Research Center (1), an estimated 85 percent of American adults owns a smartphone. Based on this estimate, we assumed that about 8 of the 55 Wisconsin commercial bait harvesters do not own a phone with internet access. Assuming a cheap smartphone and plan would cost about \$230 a year, the total compliance cost for the group of bait harvesters without phones would be approximately \$1,840 per year.

3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
- Less Stringent Schedules or Deadlines for Compliance or Reporting
- Consolidation or Simplification of Reporting Requirements
- Establishment of performance standards in lieu of Design or Operational Standards
- Exemption of Small Businesses from some or all requirements
- Other, describe: Reduce the number of wild bait harvest permit applications that need to be submitted through extension of the permit duration

4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

This rule will extend the wild bait harvest permit duration to Dec. 31 instead of the permits expiring after 30 days. This will reduce the burden and paperwork for commercial bait harvesters when applying for monthly permits.

5. Describe the Rule's Enforcement Provisions

Enhanced recording and reporting of minnow harvest activities will allow law enforcement to verify the accuracy of minnow harvest onsite where the minnows are being harvested.

6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

- Yes No
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