



Montana Legislative Services Division
Office of Research and Policy Analysis

Memo

Revised January 12, 2010

To: Economic Affairs Committee Members
From: Pat Murdo, Economic Affairs Committee Staff
Re: Board of Livestock order establishing a designated surveillance area and surveillance requirements for brucellosis in areas near Yellowstone National Park

Issues: Proposed Order No. 09-02-D is intended to replace an order expected to sunset on January 10, 2010, that created surveillance requirements and a designated surveillance area for brucellosis.

The Economic Affairs Committee has had a request to hear more about the department's actions regarding the currently proposed Animal Health Division Official Order No. 09-02-D. Staff Attorney Bart Campbell will provide more thorough legal analysis in a report to the committee on Jan. 21 at its meeting. In the meantime, here is some background information:

The Department of Livestock is one of the agencies monitored by the Economic Affairs Committee. An interim committee's duties, under 5-5-125, MCA, include:

monitoring "the operation of assigned executive branch agencies with specific attention to the following:

- (i) identification of issues likely to require future legislative attention;
- (ii) opportunities to improve existing law through the analysis of problems experienced with the application of the law by an agency; and
- (iii) experiences of the state's citizens with the operation of an agency that may be amenable to improvement through legislative action;"...

Concerns expressed about the order include:

- use of an order rather than a rule-making procedure and adoption by the board rather than the Department of Livestock (see letter from Bart Campbell to the Board of Livestock)
- the concern of some livestock producers that the department is engaged more in surveillance than in eradication of brucellosis -- specifically by targeting livestock herds rather than wildlife carriers of brucellosis. Tied to this concern is that the statutory responsibility of the Fish, Wildlife, and Parks Commission to manage elk deals with population but not disease management.
- the concern about the economic impacts on livestock producers in the counties near Yellowstone Park proposed for the designated surveillance area. A related concern is the harm to the producers in that area, specifically, and the state more generally that may be caused by a split-state surveillance area. Sen. Debby Barrett has suggested that she and 14 other legislators might request an economic impact

statement regarding the order. The chief legal counsel for the Legislature, Greg Petesch, has informally said that the strict language of the statute (see below) allowing requests by the administrative rule review

committee (which in this case would be the Economic Affairs

Committee) associates the request for an economic impact statement with rules not orders.

- the concern about the speed with which the order is being handled when there is no emergency because the state has regained its class free status for brucellosis.
- the situation is splitting constituencies between hunters and livestock producers in a situation that is a shared concern.

See statutes below for details on economic impact statements, the bison management plan, and the duties of the Fish, Wildlife, and Parks Commission related to elk management:

2-4-405. Economic impact statement. (1) Upon written request of the appropriate administrative rule review committee based upon the affirmative request of a majority of the members of the committee at an open meeting, an agency shall prepare a statement of the economic impact of the adoption, amendment, or repeal of a rule as proposed. The agency shall also prepare a statement upon receipt by the agency or the committee of a written request for a statement made by at least 15 legislators. If the request is received by the committee, the committee shall give the agency a copy of the request, and if the request is received by the agency, the agency shall give the committee a copy of the request. As an alternative, the committee may, by contract, prepare the estimate.

(2) Except to the extent that the request expressly waives any one or more of the following, the requested statement must include and the statement prepared by the committee may include:

(a) a description of the classes of persons who will be affected by the proposed rule, including classes that will bear the costs of the proposed rule and classes that will benefit from the proposed rule;

(b) a description of the probable economic impact of the proposed rule upon affected classes of persons, including but not limited to providers of services under contracts with the state and affected small businesses, and quantifying, to the extent practicable, that impact;

(c) the probable costs to the agency and to any other agency of the implementation and enforcement of the proposed rule and any anticipated effect on state revenue;

(d) an analysis comparing the costs and benefits of the proposed rule to the costs and benefits of inaction;

(e) an analysis that determines whether there are less costly or less intrusive methods for achieving the purpose of the proposed rule;

(f) an analysis of any alternative methods for achieving the purpose of the proposed rule that were seriously considered by the agency and the reasons why they were rejected in favor of the proposed rule;

(g) a determination as to whether the proposed rule represents an efficient allocation of public and private resources; and

(h) a quantification or description of the data upon which subsections (2)(a) through (2)(g) are based and an explanation of how the data was gathered.

(3) A request to an agency for a statement or a decision to contract for the preparation of a statement must be made prior to the final agency action on the rule. The statement must be filed with the appropriate administrative rule review committee within 3 months of the request or decision. A request or decision for an economic impact statement may be withdrawn at any time.

(4) Upon receipt of an impact statement, the committee shall determine the sufficiency of the statement. If the committee determines that the statement is insufficient, the committee may return it to the agency or other person who prepared the statement and request that corrections or amendments be made. If the committee determines that the statement is sufficient, a notice, including a summary of the statement and indicating where a copy of the statement may be obtained, must be filed with the secretary of state for publication in the register by the agency preparing the statement or by the committee, if the statement is prepared under contract by the committee, and must

be mailed to persons who have registered advance notice of the agency's rulemaking proceedings.

(5) This section does not apply to rulemaking pursuant to 2-4-303.

(6) The final adoption, amendment, or repeal of a rule is not subject to challenge in any court as a result of the inaccuracy or inadequacy of a statement required under this section.

(7) An environmental impact statement prepared pursuant to 75-1-201 that includes an analysis of the factors listed in this section satisfies the provisions of this section.

81-2-120. Management of wild buffalo or bison for disease control. (1) Whenever a publicly owned wild buffalo or bison from a herd that is infected with a dangerous disease enters the state of Montana on public or private land and the disease may spread to persons or livestock or whenever the presence of wild buffalo or bison may jeopardize Montana's compliance with other state-administered or federally administered livestock disease control programs, the department may, under a plan approved by the governor, use any feasible method in taking one or more of the following actions:

(a) The live wild buffalo or bison may be physically removed by the safest and most expeditious means from within the state boundaries, including but not limited to hazing and aversion tactics or capture, transportation, quarantine, or delivery to a department-approved slaughterhouse.

(b) The live wild buffalo or bison may be destroyed by the use of firearms. If a firearm cannot be used for reasons of public safety or regard for public or private property, the animal may be relocated to a place that is free from public or private hazards and destroyed by firearms or by a humane means of euthanasia.

(c) The live wild buffalo or bison may be taken through limited public hunts pursuant to 87-2-730 when authorized by the state veterinarian and the department.

(d) The live wild buffalo or bison may be captured, tested, quarantined, and vaccinated. Wild buffalo or bison that are certified by the state veterinarian as brucellosis-free may be:

(i) sold to help defray the costs that the department incurs in building, maintaining, and operating necessary facilities related to the capture, testing, quarantine, or vaccination of the wild buffalo or bison; or

(ii) transferred to qualified tribal entities that participate in the disease control program provided for in this subsection (1)(d). Acquisition of wild buffalo or bison by a qualified tribal entity must be done in a manner that does not jeopardize compliance with a state-administered or federally administered livestock disease control program. The department may adopt rules consistent with this section governing tribal participation in the program or enter into cooperative agreements with tribal organizations for the purposes of carrying out the disease control program.

(e) Proceeds from the sale of live, brucellosis-free, vaccinated wild buffalo or bison must be deposited in the state special revenue fund to the credit of the department.

(f) Any revenue generated in excess of the costs referred to in subsection (1)(d)(i) must be deposited in the state special revenue fund provided for in 87-1-513(2).

(2) Whenever the department is responsible for the death of a wild buffalo or bison, either purposefully or unintentionally, the carcass of the animal must be disposed of by the most economical means, including but not limited to burying, incineration, rendering, or field dressing for donation or delivery to a department-approved slaughterhouse or slaughter destination.

(3) In disposing of the carcass, the department:

(a) as first priority, may donate a wild buffalo or bison carcass to a charity or to an Indian tribal organization; or

(b) may sell a wild buffalo or bison carcass to help defray expenses of the department. If the carcass is sold in this manner, the department shall deposit any revenue derived from the sale of the wild buffalo or bison carcass to the state special revenue fund to the credit of the department.

(4) The department may adopt rules with regard to management of publicly owned wild buffalo or bison that enter Montana on private or public land and that are from a herd that is infected with a contagious disease that may spread to persons or livestock and may jeopardize compliance with other state-administered or federally administered livestock disease control programs.

For Fish, Wildlife, and Parks (emphasis added)

87-1-301. Powers of commission. (1) The commission:

(a) shall set the policies for the protection, preservation, management, and propagation of the wildlife, fish, game, furbearers, waterfowl, nongame species, and endangered species of the state and for the fulfillment of all other responsibilities of the department as provided by law;

(b) shall establish the hunting, fishing, and trapping rules of the department;

- (c) shall establish the rules of the department governing the use of lands owned or controlled by the department and waters under the jurisdiction of the department;
- (d) must have the power within the department to establish wildlife refuges and bird and game preserves;
- (e) shall approve all acquisitions or transfers by the department of interests in land or water, except as provided in 87-1-209(4);
- (f) shall review and approve the budget of the department prior to its transmittal to the budget office;
- (g) shall review and approve construction projects that have an estimated cost of more than \$1,000 but less than \$5,000; and

(h) shall manage elk, deer, and antelope populations based on habitat estimates determined as provided in 87-1-322 and maintain elk, deer, and antelope population numbers at or below population estimates as provided in 87-1-323. In developing or implementing an elk management plan, the commission shall consider landowner tolerance when deciding whether to restrict elk hunting on surrounding public land in a particular hunting district. As used in this subsection (1)(h), "landowner tolerance" means the written or documented verbal opinion of an affected landowner regarding the impact upon the landowner's property within the particular hunting district where a restriction on elk hunting on public property is proposed.

(2) The commission may adopt rules regarding the use and type of archery equipment that may be employed for hunting and fishing purposes, taking into account applicable standards as technical innovations in archery equipment change.

(3) The commission may adopt rules regarding the establishment of special licenses or permits, seasons, conditions, programs, or other provisions that the commission considers appropriate to promote or enhance hunting by Montana's youth and persons with disabilities.

(4) (a) The commission may adopt rules regarding nonresident big game combination licenses to:

- (i) separate deer licenses from nonresident elk combination licenses;
- (ii) set the fees for the separated deer combination licenses and the elk combination licenses without the deer tag;
- (iii) condition the use of the deer licenses; and
- (iv) limit the number of licenses sold.

(b) The commission may exercise the rulemaking authority in subsection (4)(a) when it is necessary and appropriate to regulate the harvest by nonresident big game combination license holders:

- (i) for the biologically sound management of big game populations of elk, deer, and antelope;
- (ii) to control the impacts of those elk, deer, and antelope populations on uses of private property; and
- (iii) to ensure that elk, deer, and antelope populations are at a sustainable level as provided in 87-1-321 through 87-1-325.

(5) The commission may adopt rules establishing license preference systems to distribute hunting licenses and permits:

(a) giving an applicant who has been unsuccessful for a longer period of time priority over an applicant who has been unsuccessful for a shorter period of time; and

(b) giving a qualifying landowner a preference in drawings. As used in this subsection (5)(b), "qualifying landowner" means the owner of land that provides some significant habitat benefit for wildlife, as determined by the commission.

(6) (a) The commission may adopt rules to:

- (i) limit the number of nonresident mountain lion hunters in designated hunting districts; and
- (ii) determine the conditions under which nonresidents may hunt mountain lion in designated hunting districts.

(b) The commission shall consider, but is not limited to consideration of, the following factors:

- (i) harvest of lions by resident and nonresident hunters;
- (ii) history of quota overruns;
- (iii) composition, including age and sex, of the lion harvest;
- (iv) historical outfitter use;
- (v) conflicts among hunter groups;
- (vi) availability of public and private lands; and
- (vii) whether restrictions on nonresident hunters are more appropriate than restrictions on all hunters.