

FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES

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Phone: (225)952-8100 Office: Agricultural and Environmental Sciences Horticulture and Quarantine Programs
Return Address: 5825 Florida Blvd. Rule Title: LAC 7:XV.167 (Emerald Ash Borer Quarantine)
Baton Rouge, LA 70806
Date Rule Takes Effect: November 20, 2015

SUMMARY
(Use complete sentences)

In accordance with Section 953 of Title 49 of the Louisiana Revised Statutes, there is hereby submitted a fiscal and economic impact statement on the rule proposed for adoption, repeal or amendment. THE FOLLOWING STATEMENTS SUMMARIZE ATTACHED WORKSHEETS, I THROUGH IV AND WILL BE PUBLISHED IN THE LOUISIANA REGISTER WITH THE PROPOSED AGENCY RULE.

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

The proposed rule will have not a fiscal impact to the state other than the cost of promulgation for FY 16. Existing LDAF personnel in Bossier, Claiborne, and Webster Parishes will carry out additional inspection duties as a result of the proposed rule. The proposed rule places a quarantine on regulated articles which are susceptible of infestation by the emerald ash borer ("EAB"), *Agrilus planipennis* Fairmaire.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

The proposed rule will not have an effect on revenue collections of state or local governmental units.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NON-GOVERNMENTAL GROUPS (Summary)

Any entities with regulated articles in the quarantined areas will not be permitted to move those regulated articles from quarantined areas to non-quarantined areas without a certificate or limited permit issued by the department. The only stoppages entities moving regulated articles will be able to make while moving regulated articles from non-quarantined areas will be for traffic conditions and fueling stops.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The proposed rule is not anticipated to have an effect on competition and employment.

Signature of Agency Head or Designee

Dane Morgan
Dane Morgan, Assistant Commissioner
of Management and Finance, LDAF

9/8/15
Date of Signature

Evan Brassel, Staff Director
Legislative Fiscal Officer or Designee

9/8/15
Date of Signature

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The following information is required in order to assist the Legislative Fiscal Office in its review of the fiscal and economic impact statement and to assist the appropriate legislative oversight subcommittee in its deliberation on the proposed rule.

- A. Provide a brief summary of the content of the rule (if proposed for adoption, or repeal) or a brief summary of the change in the rule (if proposed for amendment). Attach a copy of the notice of intent and a copy of the rule proposed for initial adoption or repeal (or, in the case of a rule change, copies of both the current and proposed rules with amended portions indicated).

The proposed rule places a quarantine on regulated articles which are susceptible of infestation by the emerald ash borer ("EAB"), *Agrilus planipennis* Fairmaire. The quarantined areas are Bossier, Claiborne and Webster Parishes.

- B. Summarize the circumstances, which require this action. If the Action is required by federal regulation, attach a copy of the applicable regulation.

The state entomologist has determined that the following pest: emerald ash borer ("EAB"), *Agrilus planipennis* Fairmaire, has been found in this state and may be prevented, controlled, or eradicated by quarantine. EAB poses an imminent peril to the health and welfare of Louisiana forests, commercial and private forestry/wood product industries, and nursery growers due to its ability to infest ash trees. In 2013, the wholesale value of woody ornamental sales for nursery growers in the state was \$62.6 million, a portion of which is comprised of sales of ash trees (Louisiana State University AgCenter 2013 Louisiana Summary, Agriculture and Natural Resources). Louisiana's forests and forestry/wood products industries generated an output industry production value of \$10.86 billion in 2012, a portion of which is comprised of ash trees and ash tree products (Louisiana State University AgCenter publication 3367-G, 2015). Sales of ash firewood by retail and wholesale suppliers to private individuals also are important to the state's economy.

Natural spread of EAB is limited to relatively short distances. However, without restriction, EAB can spread through human-assisted means over long distances via infested ash nursery stock, ash logs/timber and cut firewood. Once an ash tree is infested, it experiences twig dieback and tree decline. Tree death occurs within a few years. Failure to prevent, control, or eradicate this pest threatens to damage Louisiana's commercial ash tree nursery industry, and over time this pest poses a threat to destroy the majority of ash in our state, both commercial and residential. The loss of the state's commercial nursery-grown ash trees, forestry/wood ash products and even residential ash trees would be devastating to the state's economy and to its private citizens. The quarantine established by this emergency regulation is necessary to prevent the spread of EAB to all areas in Louisiana where ash may exist, outside of the current areas where this pest has been found. The state entomologist has authority to issue this quarantine pursuant to La. R.S. 3:1652.

- C. Compliance with Act 11 of the 1986 First Extraordinary Session

- (1) Will the proposed rule change result in any increase in the expenditure of funds? If so, specify amount and source of funding.

It is not anticipated that the proposed rule change will result in any increase in the expenditure of funds.

- (2) If the answer to (1) above is yes, has the Legislature specifically appropriated the funds necessary for the associated expenditure increase? Not applicable.

(a) _____ Yes. If yes, attach documentation.

(b) _____ NO. If no, provide justification as to why this rule change should be published at this time

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WORKSHEET

I. A. COSTS OR SAVINGS TO STATE AGENCIES RESULTING FROM THE ACTION PROPOSED

1. What is the anticipated increase (decrease) in costs to implement the proposed action?

It is not anticipated that implementation of the proposed rule will result in an increase or decrease of costs.

COSTS	FY 16	FY 17	FY 18
Personal Services	0	0	0
Operating Expenses	0	0	0
Professional Services	0	0	0
Other Charges	0	0	0
Equipment	0	0	0
Major Repairs & Constr.	0	0	0
TOTAL	0	0	0
POSITIONS (#)	0	0	0

2. Provide a narrative explanation of the costs or savings shown in "A. 1.", including the increase or reduction in workload or additional paperwork (number of new forms, additional documentation, etc.) anticipated as a result of the implementation of the proposed action. Describe all data, assumptions, and methods used in calculating these costs.

It is not anticipated that the proposed rule will have a direct material effect on governmental expenditures.

3. Sources of funding for implementing the proposed rule or rule change.

It is not anticipated that the proposed rule will require any direct or indirect material funding.

SOURCE	FY 16	FY 17	FY 18
State General Fund	0	0	0
Agency Self-Generated	0	0	0
Dedicated	0	0	0
Federal Funds	0	0	0
Other (Specify)	0	0	0
TOTAL	0	0	0

4. Does your agency currently have sufficient funds to implement the proposed action? If not, how and when do you anticipate obtaining such funds?

It is not anticipated that the proposed rule will require any funds to implement. Any requests made to the Department to enter into a compliance agreement will be handled by existing staff.

B. COST OR SAVINGS TO LOCAL GOVERNMENTAL UNITS RESULTING FROM THE ACTION PROPOSED.

1. Provide an estimate of the anticipated impact of the proposed action on local governmental units, including adjustments in workload and paperwork requirements. Describe all data, assumptions and methods used in calculating this impact.

It is not anticipated that the proposed rule will have an impact on local governmental units.

2. Indicate the sources of funding of the local governmental unit, which will be affected by these costs or savings.

Not applicable.

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WORKSHEET

II. EFFECT ON REVENUE COLLECTIONS OF STATE AND LOCAL GOVERNMENTAL UNITS

A. What increase (decrease) in revenues can be anticipated from the proposed action?

It is not anticipated that the proposed action will have an effect on revenue collections of state or local governmental units.

REVENUE INCREASE/DECREASE	FY 16	FY 17	FY 18
State General Fund	0	0	0
Agency Self-Generated	0	0	0
Dedicated Funds*	0	0	0
Federal Funds	0	0	0
Local Funds	0	0	0
TOTAL	0	0	0

*Specify the particular fund being impacted.

B. Provide a narrative explanation of each increase or decrease in revenues shown in "A." Describe all data, assumptions, and methods used in calculating these increases or decreases.
Not applicable.

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WORKSHEET

III. COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS

- A. What persons or non-governmental groups would be directly affected by the proposed action? For each, provide an estimate and a narrative description of any effect on costs, including workload adjustments and additional paperwork (number of new forms, additional documentation, etc.), they may have to incur as a result of the proposed action.

Anyone with regulated articles in the quarantined area will not be permitted to move those regulated articles from quarantined areas to non-quarantined areas without a certificate or limited permit issued by the department.

- B. Also provide an estimate and a narrative description of any impact on receipts and/or income resulting from this rule or rule change to these groups.

Emerald Ash Borer (EAB) feeds on all species of *Fraxinus* (Ash) in the United States. Once EAB is found in an area, all of the ash trees in that area will die due to EAB. The only approach to slowing the spread of EAB is through the use of quarantine. Without a quarantine in place, regulated articles would be allowed to move and significantly impact the spread of EAB thus impacting the entire state.

According to LSU AgCenter's 2014 Ag Summary, the total value of forestry related industries in the three parishes (Bossier, Claiborne, and Webster) is approximately 83.5 million dollars annually. Ash timber makes up approximately 2-5% of the timber in those parishes so the approximate loss to those parishes would be over 4 million dollars annually. This loss would be due to the presence of the pest in Louisiana, not the promulgation of the rule.

Nursery growers and nursery stock dealers in the regulated areas will be prohibited from moving ash nursery stock outside of the regulated areas. The complement of ash nursery stock grown and/or offered for sale in the three quarantined parishes is anticipated to be quite low and no significant economic impact due to the quarantine is expected.

In addition, logging companies and/or mills may choose to not harvest in the affected parishes due to the quarantine so the economic impact could be much greater than the estimate of 4 million.

IV. EFFECTS ON COMPETITION AND EMPLOYMENT

Identify and provide estimates of the impact of the proposed action on competition and employment in the public and private sectors. Include a summary of any data, assumptions and methods used in making these estimates.

It is not anticipated that the implementation of this proposed rule will have an effect on competition and employment in either the public or private sector.