

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES**

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Return Address: <u>5825 Florida Blvd.</u>	Rule Title: <u>Horticulture License and Permitting Fees</u>
<u>Suite 3002</u>	
<u>Baton Rouge, LA 70806</u>	Date Rule Takes Effect: <u>December 20, 2015</u>

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 no associated costs or savings to the state other than the cost of promulgation for FY 16. The proposed rule raises fees for the issuance or renewal of professional licenses for arborists, landscape horticulturists, landscape irrigation contractors, landscape architects, retail florists, utility arborists, and wholesale florists from \$75 to \$100; increases the fee for issuance or renewal of a nursery stock dealer permit from \$130 to \$150; and increases the fee for issuance or renewal of a cut flower dealer permit from \$70 to \$90. The horticulture commission has the authority under R.S. 3:3806 to set the fees for all professions provided the fees remain within the range of fees set forth in the statute. Act 202 of 2015 increases the fee ranges chargeable by the Horticulture Commission for professional licenses from \$75 to \$150, for nursery stock dealer licenses from \$130 to \$175, and for cut flower dealer permits from \$70 to \$140. The proposed rule does not raise fees to the maximum allowed by Act 202 of 2015.

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

LDAF anticipates the proposed rule change will generate an additional \$195,670 in a full fiscal year (FY 17) for the department to the extent license issuances and renewals continue based upon historical averages. For reference, LDAF annually issues an average of 5,822 horticulture professional licenses, 1,459 nursery stock dealer permits, and 1,047 cut flower dealer permits annually. The revenue generated in FY 16 will be less since the rule will only be in place for part of the fiscal year due to legal delays associated with rulemaking under the Administrative Procedure Act. Based upon prior activity, the fee increases are anticipated to generate approximately \$114,000 in FY 16. The increased revenue will allow the department to fully fund expenditures necessary for regulating industries under the authority of Horticulture Commission, as well as the administrative work and costs associated with issuing licenses and permits. The increased revenues will be deposited into the Horticulture & Quarantine Fund.

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

The proposed rule will affect those individuals or businesses applying for a license or permit in an industry regulated by the department and/or horticulture commission by requiring them to pay a higher fee. It is not anticipated that the proposed rule will result in an increase in paperwork or workload for any affected person or group. The proposed rule will require anyone applying for the issuance or renewal of a license as an arborist, landscape horticulturist, landscape irrigation contractor, landscape architect, retail florist, utility arborist, or wholesale florist to pay a fee of \$100. This is an increase of \$25 from the current license fee of \$75. The proposed rule increases the fee for issuance or renewal of a nursery stock dealer permit from \$130 to \$150. The proposed rule increases the fee for issuance or renewal of a cut flower dealer permit from \$70 to \$90.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

It is anticipated that the implementation of this proposed rule will not have an effect on competition and employment.

Signature of Agency Head or Designee

Legislative Fiscal Officer or Designee

Dane Morgan, Assistant
Commissioner of
Management & Finance

Typed Name & Title of Agency Head or Designee

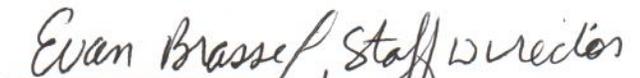
Date of Signature

Date of Signature


Signature of Agency Head or Designee

Dane Morgan, Assistant Commissioner of
Management and Finance
Typed Name & Title of Agency Head or Designee

9/4/15
Date of Signature


Legislative Fiscal Officer or Designee

9/8/15
Date of Signature

**FISCAL AND ECONOMIC IMPACT STATEMENT
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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 amends LAC 7:XXIX.109 and sets the fees for the issuance or renewal of certain licenses. Under the proposed rule, the fee for issuance or renewal of a license as an arborist, landscape horticulturist, landscape irrigation contractor, landscape architect, retail florist, utility arborist, or wholesale florist will be \$100. The proposed rule sets the fee for issuance or renewal of a nursery stock dealer permit at \$150. The proposed rule sets the fee for issuance or renewal of a cut flower dealer permit at \$90. Each of the fees set forth in the proposed rule are authorized by R.S. 3:3806, as amended by Act 202 of the 2015 Regular Session. Finally, the proposed rule provides for a \$25 late fee to be charged after the fifteenth working day after a license or permit has expired. The late fee is also authorized by R.S. 3:3806 and is not a change in the law. Language regarding the late fee is being added to the rule to allow an individual or business to find all fees applicable to them in a single location.

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

Act 202 of the 2015 Regular Session set forth ranges which may be charged for the issuance or renewal of certain licenses. The proposed rule sets the fee based on the ranges provided by the legislature.

Act 202 amended R.S. 3:3806(B) and now provides "[t]he license fee for each professional license which is issued or renewed by the commissioner shall not be less than seventy-five dollars nor more than one hundred fifty dollars per license." The proposed rule sets the fee for issuance or renewal of a license as an arborist, landscape horticulturist, landscape irrigation contractor, landscape architect, retail florist, utility arborist, or wholesale florist at \$100.

Act 202 amended R.S. 3:3806(C) and now provides "[t]he permit fee for each nursery stock dealer's permit which is issued or renewed by the commissioner shall not be less than one hundred thirty dollars nor more than one hundred seventy-five dollars per permit." The proposed rule sets the fee for issuance or renewal of a nursery stock dealer permit at \$150.

Act 202 amended R.S. 3:3806(D) and now provides "[t]he permit fee for each cut flower dealer's permit which is issued or renewed by the commissioner shall not be less than seventy dollars nor more than one hundred forty dollars per permit." The proposed rule sets the fee for issuance or renewal of a cut flower dealer permit at \$90.

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 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

FISCAL AND ECONOMIC IMPACT STATEMENT

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 the proposed rule will result in an increase or decrease in costs to the department.

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

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.

The proposed rule will have no associated costs or savings to the state other than the cost of promulgation for FY 16.

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

SOURCE	FY 16	FY 17	FY 18
State General Fund			
Agency Self-Generated			
Dedicated			
Federal Funds			

Other (Specify)

TOTAL

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

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 result in any cost or savings to 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.

FISCAL AND ECONOMIC IMPACT STATEMENT

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 anticipated that the proposed rule will result in an increase in funds received by the department.

REVENUE INCREASE/DECREASE	FY 16	FY 17	FY 18
State General Fund	0	0	0
Agency Self-Generated	0	0	0
Dedicated Funds*			
Horticulture & Quarantine Fund	114,140	195,670	195,670
Federal Funds	0	0	0
Local Funds	0	0	0
TOTAL			

*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.

LDAF issued 5,822 horticulture profession licenses, 1,459 nursery stock dealer permits, and 1,047 cut flower dealer permits in 2014. These numbers are consistent with the number of licenses and permits issued in the years prior to 2014.

Licenses: The current cost paid by individuals who wish to obtain a horticulture license is \$75. This results in the department receiving \$436,650 in licensing fees per fiscal year. The proposed rule increases the cost paid by an individual to obtain a license from \$75 to \$100. Assuming the department continues to license the same number of people, the proposed rule will result in the department collecting \$582,200 in license fees per fiscal year (an increase of \$145,550).

Permits: The current cost paid by an individual or business issued a nursery stock dealer permit is \$130. This results in the department receiving \$189,670 in nursery stock dealer permit fees per fiscal year. The proposed rule will increase the fee from \$130 to \$150. This will result in the department collecting \$218,850 in nursery stock dealer fees per fiscal year assuming we continue to issue the same number of permits (1,459 issued in 2014).

The current cost paid by an individual or business issued a cut flower dealer permit is \$70. This results in the department receiving \$73,290 in cut flower dealer permit fees per fiscal year. The proposed rule increases the cost paid by an individual or business receiving a cut flower dealer permit to \$90. This will result in the department collecting \$94,230 in cut flower dealer fees per fiscal year assuming we continue to issue the same number of permits (1,459 issued in 2014).

Assuming the new fees of \$100 for licenses, \$150 for the nursery stock dealer permit and \$90 for the cut flower dealer permit are not charged until December 2015 due to the legal delays required by the APA, the department will only collect the higher fees for seven months in FY 2016. The FY 2017 number is higher because these fees will be in place and be charged the whole year.

FISCAL AND ECONOMIC IMPACT STATEMENT

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.

The proposed rule will affect those individuals or businesses applying for a license or permit in an industry regulated by the department and/or horticulture commission by requiring them to pay a higher fee. It is not anticipated that the proposed rule will result in an increase in paperwork or workload for any affected person or group. The proposed rule will require anyone applying for the issuance or renewal of a license as an arborist, landscape horticulturist, landscape irrigation contractor, landscape architect, retail florist, utility arborist, or wholesale florist to pay a fee of \$100. This is an increase of \$25 from the current license fee of \$75. The proposed rule increases the fee for issuance or renewal of a nursery stock dealer permit from \$130 to \$150. The proposed rule increases the fee for issuance or renewal of a cut flower dealer permit from \$70 to \$90.

- 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.

Not applicable.

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 proposed rule will have an impact on competition and employment. Every person or business operating in a field which requires a license or permit under the rule would have to pay the permit or license fee.