

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

|                                   |                                                                    |
|-----------------------------------|--------------------------------------------------------------------|
| Person Preparing Statement: _____ | Dr. Steve Sessums                                                  |
| Phone: _____                      | (225)952-8025                                                      |
| Return Address: _____             | 5825 Florida Blvd, Suite 5000                                      |
|                                   | Baton Rouge, LA 70806                                              |
|                                   | Dept.: _____                                                       |
|                                   | Agriculture and Forestry                                           |
|                                   | Office: _____                                                      |
|                                   | Office of Agro-Consumer Services; Division of Weights and Measures |
|                                   | Rule Title: _____                                                  |
|                                   | LAC 7:XXXV.125 (Metrology Laboratory Fee Structure)                |
|                                   | Date Rule Takes Effect: _____                                      |
|                                   | January 20, 2016                                                   |

**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 change will have no fiscal impact to the state or local governmental units other than the cost of promulgation for FY 16.

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

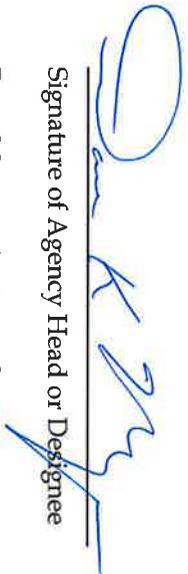
The proposed increase of \$5 for tolerance tests on weights of 100 lbs. or less will result in an increase of approximately \$23,095 collected by the department annually. LDAF collected \$21,813 from performing tolerance tests for weights 100 lbs. and under in FY 15. The proposed rule also adds a \$10 fee to perform tolerance adjustments of weights, which will result in increased annual revenue of approximately \$19,220. LDAF does not currently charge for weight tolerance adjustments.

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

The proposed rule increases costs for persons who use the services of the metrology lab such as commercial scale companies and fuel pump service companies. This rule increases the fees for tolerance testing of weights by \$5 in Classes F and P for weights up to 100 lbs. The proposed rule also charges \$10 per weight to make tolerance adjustments.

**IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)**

Implementation of the proposed rule will have no effect on employment or competition.

  
\_\_\_\_\_  
Signature of Agency Head or Designee

Dane Morgan, Assistant Commissioner  
of Management and Finance, LDAF

\_\_\_\_\_  
10/6/15  
Date of Signature

  
\_\_\_\_\_  
Legislative Fiscal Officer or Designee

\_\_\_\_\_  
10/7/15  
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 amends the Metrology Fee Structure to ensure that the department is fully funding expenditures incurred by performing tolerance tests for weights 100 lbs. and under, as well as tolerance adjustments in the metrology laboratory. Currently, the department does not charge any fees for the most labor and time-consuming work of adjusting the weight to meet tolerances. The proposed changes will remedy this by charging \$10 per weight regardless of number of pounds to adjust to within tolerances.

The proposed rule also increases the fees for tolerance testing of weights by \$5 in classes F and P for weights up to 100 pounds. The fees for weights over 100 pounds will not change. The increased fees are below and are an attempt by the department to cover its costs in testing weights for tolerance.

|                                                                                       | <b>Class F</b> | <b>Class P</b> |
|---------------------------------------------------------------------------------------|----------------|----------------|
| 1. Weights up to and including 10 pounds or 5 kilograms                               | \$ 7<br>2      | \$ 9<br>4      |
| 2. Weights over 10 pounds or 5 kilograms and including 100 pounds or 60 kilograms     | \$10<br>5      | \$15<br>10     |
| 3. Weights over 100 pounds or 60 kilograms and including 1000 pounds or 500 kilograms | \$25           | \$50           |
| 4. Weights over 1000 pounds or 500 kilograms                                          | \$50           | \$75           |

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

There are no federal regulations that require the amendments found in the proposed rule. These fee increases will help to make the work that the Lab does approach cost neutrality. Metrology fees charged by the department have not been increased in over 20 years but the costs of providing these services have increased.

- 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

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

| <b>COSTS</b>            | <b>FY 16</b> | <b>FY 17</b> | <b>FY 18</b> |
|-------------------------|--------------|--------------|--------------|
| 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            |
| <b>TOTAL</b>            | <b>0</b>     | <b>0</b>     | <b>0</b>     |
| <b>POSITIONS (#)</b>    | <b>0</b>     | <b>0</b>     | <b>0</b>     |

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.

| <b>SOURCE</b>         | <b>FY 16</b> | <b>FY 17</b> | <b>FY 18</b> |
|-----------------------|--------------|--------------|--------------|
| 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            |
| <b>TOTAL</b>          | <b>0</b>     | <b>0</b>     | <b>0</b>     |

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. The testing and adjustment procedures are not changing and already being offered by the department.

**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.

**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?

In 2014, the metrology lab performed 4,619 tolerance tests on weights of 100 pounds or less. The proposed fee increases the amount charged for tolerance testing for class F and class P weights of 100 pounds or less by \$5 per weight. Assuming the lab continues to adjust approximately the same number of weights in this category each year, the proposed rule will generate an additional \$23,095 in revenue annually. 4619 weights x \$5 increase = \$23,095 in increased revenue.

In 2014, the department's metrology lab adjusted approximately 1,922 weights on which it performed tolerance testing. No fees were charged for this time consuming process. Under the proposed rule, a fee of \$10 will be charged for any tolerance adjustment. Assuming the metrology lab continues to adjust approximately 1,922 weights per year, this new fee will generate \$19,220 in income each year. The 1,922 weights adjusted in 2014 include 75 weights in the 100-3000 pound category and 1,847 weights of 100 pounds and under (approximately 40% of weights of 100 pounds and under which are tested for tolerance require adjustments).

Unless a metrology lab in a neighboring state closes, we anticipate the numbers of adjustments and tolerance tests to continue to remain about the same each year.

Adding the increased revenue referenced above (\$23,095 from the increased fee for tolerance tests plus \$19,220 from the fee for tolerance adjustments), the department expects to see an increase in revenue of approximately \$42,315 per year. Since this proposed rule will only be in effect during half of FY 16, the department would only expect to receive half of that (\$21,157.50) amount during FY 16.

| <b>REVENUE INCREASE/DECREASE</b> | <b>FY 16</b> | <b>FY 17</b> | <b>FY 18</b> |
|----------------------------------|--------------|--------------|--------------|
| State General Fund               | 0            | 0            | 0            |
| Agency Self-Generated            | \$ 21,157.50 | \$ 42,315    | \$ 42,315    |
| Dedicated Funds*                 | 0            | 0            | 0            |
| Federal Funds                    | 0            | 0            | 0            |
| Local Funds                      | 0            | 0            | 0            |
| <b>TOTAL</b>                     | <b>0</b>     | <b>0</b>     | <b>0</b>     |

\*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.

Please see the response to question II(A) above.

## 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.

Companies which use the metrology lab to certify their weights will be impacted by paying higher fees. These are usually scale companies. There will be no increase in paperwork or workload as no new services are being offered.

- 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.

It is anticipated that the proposed fee increase will cause a mild increase in the overhead costs of these businesses.

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