

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

Person
Preparing
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Return
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Rule
Title: Agricultural Commodity Dealer and
 Warehouse Law Louisiana (LAC 7:XXVII)

Date Rule
Takes Effect: September 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 FOR PUBLICATION 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 result in an indeterminable increase in SGR expenditures for the LA Dept. of Agriculture & Forestry (LDAF) to the extent that individuals or entities require vomitoxin testing. Revisions to the fee schedule outlined in Rule 128 include vomitoxin testing as an official service performed by LDAF. The department reports that the fee charged to perform vomitoxin testing will fund any associated expenditures.

Proposed Rule 114 outlines practices for temporary commodity storage facilities, including application, approval, certification, and inspection by personnel from the LA Dept. of Agriculture & Forestry. The department reports that provisions for temporary storage facilities fall under current practice for permanent storage facilities, and LDAF will undertake duties associated with the temporary storage facilities utilizing existing personnel and resources.

Revisions to Rule 101 add definitions. Revisions to Rules 103, 129, and 161 remove duplicative language that is presently included in statute. Revisions Rules 107, 109 111,115, 119, 123, and 128 remove references to "bonds" and instead replace them with references to "securities." The revisions to these rules are technical in nature and have no expenditure impact.

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

Revisions to Rule 128 allow persons in the grain industry the option to request vomitoxin testing for a fee. The proposed rule may increase revenue for LDAF, as the proposed rules include a \$35 fee associated with vomitoxin testing if the department supplies the testing kit and a \$25 fee if the applicant supplies the kit. To the extent persons apply for vomitoxin testing, LDAF will see a net increase in revenues. Furthermore, removal of Starlink TM testing and re-inspection of grain samples as official services will have no revenue impact, as the department reports that these services are outdated and no longer performed. The remaining rule changes will not have an impact on revenue collections.

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

The proposed rule change will only result in a cost for those in the industry that require the service of vomitoxin testing. Vomitoxin testing is not a required service but strictly a voluntary, requested service by certain agricultural production industries. The remaining rule changes will not result in costs or economic benefits for persons or non-governmental groups. Furthermore, revisions replacing references to "bonds" with references to "securities" will allow greater options for individuals who must post some form of security in their dealings with LDAF.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The proposed rule will not have an effect on competition and employment.



Signature of Agency Head or Designee

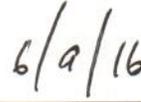
Dane Morgan, Assistant Commissioner
of Management and Finance, LDAF



Date of Signature



Legislative Fiscal Officer or Designee



Date of Signature

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

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 rules amend Chapter 1 by removing the language "bond" and replacing it with "security." This is necessary because bonds are not the only type of security accepted by the Commission. The proposed rules also remove language and requirements already set forth in Title 3 of the Revised Statutes. Proposed Rule 114 is new and sets forth guidelines for the temporary storage of commodities. Finally, the proposed amendments to Rule 128 add a new service of vomitoxin testing and an associated fee, as well as remove references to grain re-inspection testing and Starlink TM testing. The fee for Vomitoxin testing is \$25 if the person requesting the test supplies the kit or \$35 if the department supplies the kit.

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

The amendments are necessary in order to clarify and revise misconstrued language regarding the types of security that are acceptable to the commission, to provide rules regarding the temporary storage of grain and to add an additional service, which was requested by industry, of vomitoxin testing in grain.

- 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?

The proposed rule change will realize an indeterminable increase in SGR expenditures to the extent that individuals or entities require vomitoxin testing.

| COSTS | FY 17 | FY 18 | FY 19 |
|-------------------------|--------------|--------------|--------------|
| Personal Services | INCREASE | INCREASE | INCREASE |
| Operating Expenses | INCREASE | INCREASE | INCREASE |
| 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.

Proposed Rule 114 outlines practices for temporary commodity storage facilities, including application, approval, certification, and inspection by personnel from the LA Dept. of Agriculture & Forestry. The department reports that provisions for temporary storage facilities fall under current practice for permanent storage facilities, and LDAF will undertake duties associated with the temporary storage facilities utilizing existing personnel and resources.

Revisions to the fee schedule outlined in Rule 128 include vomitoxin testing as an official service performed by LDAF. The department reports that the fee charged to perform vomitoxin testing will fund any associated expenditures. To the extent such testing is requested, LDAF will realize an indeterminable increase in personal services and operating services expenditures associated with testing activities (personnel, supplies, travel). LDAF anticipates it can absorb these costs with the new associated fee and other existing resources.

Revisions to Rule 101 add definitions. Revisions to Rules 103, 129, and 161 remove duplicative language that is presently included in statute. Revisions Rules 107, 109, 111, 115, 119, 123, and 128 remove references to "bonds" and instead replace them with references to "securities." The revisions to these rules are technical in nature and have no expenditure impact.

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

The proposed rule change will not require any direct or indirect material funding.

| SOURCE | FY 17 | FY 18 | FY 19 |
|-----------------------|--------------|--------------|--------------|
| State General Fund | 0 | 0 | 0 |
| Agency Self-Generated | INCREASE | INCREASE | INCREASE |
| 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?

LDAF will create a new fee to defray the costs of vomitoxin testing. The fee for vomitoxin testing is \$35 if LDAF supplies the testing kit and \$25 if the applicant supplies the testing kit. The department anticipates being able to absorb these costs with the associated new fee and other existing resources.

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?

Revisions to Rule 128 will increase revenues for the LA Dept. of Agriculture & Forestry to the extent persons apply for vomitoxin testing. LDAF will create a new fee to defray the costs of vomitoxin testing. The fee for vomitoxin testing is \$35 if LDAF supplies the testing kit and \$25 if the applicant supplies the testing kit. The department anticipates being able to absorb these costs with the associated new fee and other existing resources.

| REVENUE INCREASE/DECREASE | FY 17 | FY 18 | FY 19 |
|----------------------------------|--------------|--------------|--------------|
| State General Fund | 0 | 0 | 0 |
| Agency Self-Generated | INCREASE | INCREASE | INCREASE |
| Restricted 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.

Revisions to Rule 128 allow persons in the grain industry the option to have vomitoxin testing for a fee. The proposed rule may increase revenue for LDAF, as the proposed rules include a \$35 fee associated with vomitoxin testing if the department supplies the testing kit and a \$25 fee if the applicant for the test supplies the kit. To the extent persons apply for vomitoxin testing, LDAF will see a net increase in revenues. Furthermore, removal of Starlink TM testing and re-inspection of grain samples as official services will have no revenue impact, as the department reports that these services are outdated and no longer performed. The remaining rule changes will not have an impact on revenue collections.

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 change will only result in a cost for those in the industry that require the service of vomitoxin testing. Vomitoxin testing is not a required service but strictly a voluntary, requested service by those in the industry. Furthermore, revisions replacing references to specific to "bonds" with references to "securities" will allow individuals who must post some form of security in their dealings with LDAF greater options for posting securities.

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.

The proposed rule change will only result in a cost for those in the industry that require the service of vomitoxin testing. Vomitoxin testing is not a required service but strictly a voluntary, requested service

by those in the industry. The remaining rule changes will not result in costs or economic benefits for persons or non-governmental groups.

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.

The proposed rule change will not have an effect on competition and employment in either the public or private sector.