

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

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Return Address:	<u>5825 Florida Blvd.</u>	Rule Title:	<u>LAC 7:XV.301, 303, and 321</u>
	<u>Suite 3002</u>	Date Rule Takes Effect:	<u>August 20, 2016</u>
	<u>Baton Rouge, LA 70806</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 change will align expenditures from the statutorily dedicated Boll Weevil Eradication Fund in FY 17 and subsequent fiscal years for the LA Dept. of Agriculture & Forestry's (LDAF) Boll Weevil Eradication Program by reducing the per-acre fee for inspection of cotton for the presence of boll weevils by \$1, from \$6 to \$5. The \$1 fee reduction aligns the Boll Weevil Eradication Program's expenditures with its associated workload. The program has seen a reduction in full-time staff as a result of the boll weevil's eradication statewide. The Boll Weevil Eradication Program's trapping and monitoring efforts have decreased, as have associated expenditures, which necessitates the fee reduction.

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

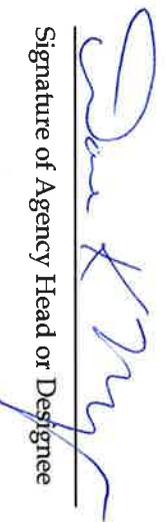
The proposed rule change will reduce revenue collections for the statutorily dedicated Boll Weevil Eradication Fund by \$124,000 based upon a projected cotton acreage of 124,000 acres in FY 17 and by \$160,000 in FYs 18 and 19 based upon a projected cotton acreage of 160,000 acres. The reduction of the per-acre inspection fee by \$1, from \$6 to \$5, aligns the revenues with associated expenditures necessary to continue the Boll Weevil Eradication Program's trapping and monitoring efforts, which have decreased after the boll weevil's eradication.

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

The proposed rule change will affect cotton producers in Louisiana. Cotton producers statewide will realize a savings of \$1 per acre of cotton planted as a result of the fee being reduced from \$6 to \$5.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The proposed action will not have a direct material effect on competition or employment.



Signature of Agency Head or Designee



Legislative Fiscal Officer or Designee

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

7/7/16

Date of Signature

7 - 8 - 16

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 Department of Agriculture and Forestry, Office of Agricultural and Environmental Sciences, and the Boll Weevil Eradication Commission intend to amend these rules and regulations ("the proposed action") for the purpose of reducing the Maintenance Inspection Fee (the fee for the inspection and certification of cotton for the presence of the boll weevil) to \$5 per acre from the previous fee of \$6 per acre.

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

Current cotton commodity prices are the lowest seen in over ten years causing economic hardship by significantly reducing farm income for cotton producers. The proposed action will provide cotton producers in the state of Louisiana some relief during a time of economic hardship by reducing the input costs necessary to produce a cotton crop while maintaining or increasing the state's cotton acreage, thus preserving the infrastructure necessary to serve the cotton industry in Louisiana while maintaining the integrity of the boll weevil eradication program.

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.

The proposed action is not anticipated to have a direct material effect on state or local governmental expenditures.

- (2) If the answer to (1) above is yes, has the Legislature specifically appropriated the funds necessary for the associated expenditure increase?

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

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

Not applicable. The answer to (1) above is no.

**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 align expenditures from the statutorily dedicated Boll Weevil Eradication Fund in FY 17 and subsequent fiscal years for the LA Dept. of Agriculture & Forestry's (LDAF) Boll Weevil Eradication Program by reducing the per-acre fee for inspection of cotton for the presence of boll weevils by \$1, from \$6 to \$5.

COSTS	FY 17	FY 18	FY 19
Personal Services	0	0	0
Operating Expenses	(\$124,000)	(\$160,000)	(\$160,000)
Professional Services	0	0	0
Other Charges	0	0	0
Equipment	0	0	0
Major Repairs & Constr.	0	0	0
TOTAL	(\$124,000)	(\$160,000)	(\$160,000)
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.

The proposed rule change will align expenditures from the statutorily dedicated Boll Weevil Eradication Fund in FY 18 and subsequent fiscal years for the LA Dept. of Agriculture & Forestry's (LDAF) Boll Weevil Eradication Program by reducing the per-acre fee for inspection of cotton for the presence of boll weevils by \$1, from \$6 to \$5. The \$1 fee reduction aligns the Boll Weevil Eradication Program's expenditures with its associated workload. The program has seen a reduction in full-time staff as a result of the boll weevil's eradication statewide. The Boll Weevil Eradication Program's trapping and monitoring efforts have decreased, as have associated expenditures, which necessitates the fee reduction.

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

The proposed action is not anticipated to require any direct or indirect material funding.

SOURCE	FY 17	FY 18	FY 19
State General Fund	0	0	0
Agency Self-Generated	0	0	0
Dedicated	(\$124,000)	(\$160,000)	(\$160,000)
Federal Funds	0	0	0
Other (Specify)	0	0	0
TOTAL	(\$124,000)	(\$160,000)	(\$160,000)

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

The proposed action is not anticipated to require any direct or indirect material funding.

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.

No impact on local governmental units is anticipated.

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?

The proposed rule change will reduce revenue collections for the statutorily dedicated Boll Weevil Eradication Fund by \$124,000 based upon a projected cotton acreage of 124,000 acres in FY 18 and by \$160,000 in FYs 18 and 19 based upon a projected cotton acreage of 160,000 acres. The reduction of the per-acre inspection fee by \$1, from \$6 to \$5, aligns the revenues with associated expenditures necessary to continue the Boll Weevil Eradication Program's trapping and monitoring efforts, which have decreased after the boll weevil's eradication.

REVENUE INCREASE/DECREASE	FY 17	FY 18	FY 19
State General Fund	0	0	0
Agency Self-Generated	0	0	0
Dedicated Funds*	(\$124,000)	(\$160,000)	(\$160,000)
Federal Funds	0	0	0
Local Funds	0	0	0
TOTAL	(\$124,000)	(\$160,000)	(\$160,000)

*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.

The reduction of the per-acre inspection fee by \$1, from \$6 to \$5, aligns the revenues with associated expenditures necessary to continue the Boll Weevil Eradication Program's trapping and monitoring efforts, which have decreased after the boll weevil's eradication.

**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 affect cotton producers in Louisiana. Cotton producers statewide will realize a savings of \$1 per acre of cotton planted as a result of the fee being reduced from \$6 to \$5.

- 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 cotton producers would realize an increase in income of \$1.00 per acre of cotton planted.

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 action will not have a direct material effect on competition or employment.