

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

Person Preparing Statement: Steve Sessums Dept.: Agriculture and Forestry  
Phone: (225)952-8025 Office: Office of Agro-Consumer Services; Division of Weights and Measures  
Return Address: 5825 Florida Blvd. Rule Title: LAC 7:XXXV .125 and 0.127

Baton Rouge, LA 70806 Date Rule Takes Effect: August 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, 1 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 may decrease expenditures in the statutorily dedicated Weights and Measures Fund in FY 17 for the LA Dept. of Agriculture & Forestry (LDAF) to the extent mass flow meters less than 2 inches in diameter are in use. The proposed rule change adds a new fee of \$80 for the inspection of mass flow meters that are less than 2 inches in diameter compared to the current flat fee of \$185 for all mass flow meters. The department anticipates that the new fee of \$80 will fund all expenditures associated with inspections, whereas the fee of \$185 will remain to fund all expenditures associated with inspections of mass flow meters greater than or equal to 2 inches in diameter. As a result expenditures associated with inspecting mass flow meters will decrease to the extent the use of smaller mass flow meters become more common.

The form the Louisiana Department of Agriculture and Forestry (LDAF) currently uses to register mass flow meters will be altered to include specific information related to mass flow meters. LDAF will incur a marginal expenditure increase associated with altering the existing form, but reports that it can absorb the expenditure utilizing existing resources and budget authority.

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

The Louisiana Department of Agriculture and Forestry (LDAF) anticipates revenues deposited into the statutorily dedicated Weights and Measures Fund will decrease in FY 17 and in subsequent fiscal years to the extent mass flow meters less than 2 inches in diameter come into use. The department has not yet encountered this size of mass flow meters, but expects revenues generated by the \$80 inspection fee to fund all expenditures associated with the inspection.

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

The proposed rule change will decrease costs for persons who must pay inspection fees on mass flow meters 2 inches or less in diameter to the extent such mass flow meters are in use.

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

The department anticipates that implementation of the proposed rule changes will not have an effect on competition or employment.

Signature of Agency Head or Designee

*Dane K Morgan*

Legislative Fiscal Officer or Designee

*John D. Caputo*

Dane Morgan, Assistant Commissioner  
of Management and Finance, LDAF

*4/7/16*

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 amendment to LAC 7:XXXV.127 creates a new category of devices called "mass flow meters." Previously, these devices were registered with the department as a Class 3 scale and the fee for registering the device was \$185. Mass flow meters are not actually scales and should have their own category. The amendment to LAC 7:XXXV.125 creates a new fee for registration of mass flow meters based on the internal diameter of the meter tube. Under the proposed rule, mass flow meters will be separated in to 2 classes: those with tubes whose internal diameter is 2 inches or more and those with tubes that are less than 2 inches. The department will be charging a lesser registration fee (\$80 instead of \$185) for the smaller meters since they are not as difficult to check. Currently, there are no known meters with a tube diameter of less than 2 inches.

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

Previously these devices were not commonly used so they were lumped in with Class 3 scales. However, they are increasing in numbers as the devices become more user friendly. Because mass flow meters are becoming more popular, we anticipate registration of these devices to increase. By adopting a new category of mass flow meters, the companies' list of devices will be more accurate and easier to maintain and easier for companies to enter them online.

A. 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 rules will result in an 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 may decrease expenditures in FY 17 to the extent mass flow meters less than 2 inches in diameter are in use.

<b>COSTS</b>	<b>FY 17</b>	<b>FY 18</b>	<b>FY 19</b>
Personal Services	0	0	0
Operating Expenses	See Below	See Below	See Below
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.**

The proposed rule change may decrease expenditures in FY 17 to the extent mass flow meters less than 2 inches in diameter are in use. The proposed rule adds a new fee of \$80 for the inspection of flow tube meters that are less than 2 inches in diameter compared to the current flat fee of \$185 for all mass flow meters. The department anticipates that the new fee of \$80 will fund all expenditures associated with the inspection, whereas the fee of \$185 will remain to fund all expenditures associated with mass flow meters greater than or equal to 2 inches in diameter. As a result expenditures associated with inspecting flow meter tubes will decrease to the extent the use of smaller flow meter tubes becomes more common.

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

Statutorily dedicated Weights and Measures Fund.

<b>SOURCE</b>	<b>FY 17</b>	<b>FY 18</b>	<b>FY 19</b>
State General Fund	0	0	0
Agency Self-Generated	0	0	0
Dedicated	See Below	See Below	See Below
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?**

Presently the department collects a \$185 for inspection of all mass flow meters. The \$185 fee covers all expenses for inspecting mass flow meters. The department anticipates the new \$80 fee for inspection of flow meters 2 inches or smaller in diameter will be sufficient to fund expenses associated with their inspection.

**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.

The department does not anticipate that the proposed rule change will have an affect 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?

The Louisiana Department of Agriculture and Forestry (LDAF) anticipates revenues will decrease in FY 17 and in subsequent fiscal years to the extent mass flow meters less than 2 inches in diameter come into circulation.

<b>REVENUE INCREASE/DECREASE</b>	<b>FY 17</b>	<b>FY 18</b>	<b>FY 19</b>
State General Fund	0	0	0
Agency Self-Generated	0	0	0
Dedicated Funds*	See Below	See Below	See Below
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.

The Louisiana Department of Agriculture and Forestry (LDAF) anticipates revenues will decrease in FY 17 and in subsequent fiscal years to the extent mass flow meters less than 2 inches in diameter come into circulation. The department has not yet encountered this size of mass flow meters, but expects revenues generated by the \$80 inspection fee to fund all expenditures associated with the inspection.

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**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.

Persons registering mass flow meters may realize a savings if they utilize mass flow meters smaller than 2 inches in diameter and are having the smaller mass flow meters inspected.

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 not anticipated that the proposed rule will have a direct material effect on the revenues of any group.

**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 department anticipates that implementation of the proposed rule changes will not have an effect on competition or employment.