FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

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Rule Title: LAC 7:XV.167 (Emerald Ash Borer Quarantine)

Date Rule Takes Effect: February 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 not result in additional savings or expenditures for state and local governmental units in FY 17. The proposed rule expands an existing quarantine on regulated articles that are susceptible of infestation by the emerald ash borer ("EAB"), *Agrilus planipennis* Fairmaire to include Lincoln and Union Parishes. Existing LDAF personnel in Lincoln and Union Parishes will carry out additional inspection duties as a result of the proposed rule. The additional inspections will not require additional resources and will be absorbed within LDAF's existing appropriation.

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

The proposed rule change will not affect revenue collections for state or local governmental units.

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

Any entities with regulated articles subject to the quarantine – such as ash nursery stock, ash logs/timber and cut firewood – in the quarantined areas will not be permitted to move those regulated articles from quarantined areas to non-quarantined areas without a certificate or limited permit issued by the LDAF. There is no fee for the certificate or permit. The only stoppages entities moving regulated articles will be able to make while moving regulated articles from non-quarantined areas will be for traffic conditions and fueling stops.

Limiting the spread of EAB will provide economic benefits to harvesters of ash logs and timber by preventing the spread of the pest to areas that are not impacted.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The proposed rule change will not affect competition and employment.

Dane K Morgan

Signature of Agency Head or Designee

Dane Morgan, Assistant Commissioner
of Management and Finance, LDAF

11/2/2016

Date of Signature

Evan Brasseaux, Staff Director

Legislative Fiscal Officer or Designee

11/2/16

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 rule expands the parishes under quarantine in LAC 7:XV.167 to include Lincoln and Union Parishes. The quarantine is in place to prevent the spread of the emerald ash borer ("EAB"), *Agrilus planipennis* Fairmaire. The parishes already under this quarantine are Bossier, Claiborne and Webster Parishes.

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

The state entomologist has determined that the emerald ash borer ("EAB"), *Agrilus planipennis* Fairmaire, has been found in this state and may be prevented, controlled, or eradicated by quarantine. EAB poses an imminent peril to the health and welfare of Louisiana forests, commercial and private forestry/wood product industries, and nursery growers due to its ability to infest ash trees. In 2013, the wholesale value of woody ornamental sales for nursery growers in the state was $62.6 million, a portion of which is comprised of sales of ash trees (Louisiana State University AgCenter 2013 Louisiana Summary, Agriculture and Natural Resources). Louisiana's forests and forestry/wood products industries generated an output industry production value of $10.86 billion in 2012, a portion of which is comprised of ash trees and ash tree products (Louisiana State University AgCenter publication 3367-G, 2015). Sales of ash firewood by retail and wholesale suppliers to private individuals also are important to the state's economy.

Natural spread of EAB is limited to relatively short distances. However, without restriction, EAB can spread through human-assisted means over long distances via infested ash nursery stock, ash logs/timber and cut firewood. Once an ash tree is infested, it experiences twig dieback and tree decline. Tree death occurs within a few years. Failure to prevent, control, or eradicate this pest threatens to damage Louisiana's commercial ash tree nursery industry, and over time this pest poses a threat to destroy the majority of ash in the state, both commercial and residential. The loss of the state's commercial nursery-grown ash trees, forestry/wood ash products and even residential ash trees would be devastating to the state's economy and to its private citizens. The expansion of the quarantine established by this regulation is necessary to prevent the spread of EAB to all areas in Louisiana where ash may exist, outside of the current areas where this pest has been found. The state entomologist has authority to issue this quarantine pursuant to La. R.S. 3:1652.

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 will not result in additional savings or expenditures for state and local governmental units.

COSTS	FY 17	FY 18	FY 19
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
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.

The proposed rule will not result in additional savings or expenditures for state and local governmental units.

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

The proposed rule 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	0	0	0
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?

The proposed rule will not require any funds to implement. Existing LDAF personnel in Lincoln and Union Parishes will carry out additional inspection duties as a result of the proposed rule. The additional inspections will not require additional resources and will be absorbed within LDAF's existing appropriation.

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 proposed rule will not 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.

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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 proposed rule will not affect revenue collections for state or local governmental units.

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

Not applicable.

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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.

Any entities with regulated articles subject to the quarantine – such as ash nursery stock, ash logs/timber and cut firewood – in the quarantined areas will not be permitted to move those regulated articles from quarantined areas to non-quarantined areas without a certificate or limited permit issued by the LDAF. There is no fee for the certificate or permit. The only stoppages entities moving regulated articles will be able to make while moving regulated articles from non-quarantined areas will be for traffic conditions and fueling stops.

Limiting the spread of EAB will provide economic benefits to producers and harvesters of ash logs and timber by preventing the spread of the pest to areas that are not impacted.

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.

Emerald Ash Borer (EAB) feeds on all species of *Fraxinus* (Ash) in the United States. Once EAB is found in an area, all of the ash trees in that area will die due to EAB. The only approach to slowing the spread of EAB is through the use of quarantine. Without a quarantine in place, regulated articles would be allowed to move and significantly impact the spread of EAB thus impacting the entire state.

According to LSU AgCenter's 2014 Ag Summary, the total value of forestry related industries in the five quarantined parishes (Bossier, Claiborne, Lincoln, Union and Webster) is approximately $146 million dollars annually. Ash timber makes up approximately 2-5% of the timber in those parishes so the approximate loss to those parishes would be over $7.3 million dollars annually. This loss would be due to the presence of the pest in Louisiana, not the promulgation of the rule.

Nursery growers and nursery stock dealers in the regulated areas will be prohibited from moving ash nursery stock outside of the regulated areas. The complement of ash nursery stock grown and/or offered for sale in the three quarantined parishes is anticipated to be quite low and no significant economic impact due to the quarantine is expected.

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 will not have an effect on competition and employment.