

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

Person
Preparing
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Return
Address: 5825 Florida Blvd. Rule
Suite 2000 Title: LAC 7:V.3101 (Placing of Advertising
or Sponsorship Signs on Department Assets)

Baton Rouge, LA 70806 Date Rule
Takes Effect: March 20, 2017

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 rules will result in a marginal expenditure increase for the LA Dept. of Agriculture & Forestry (LDAF). The expenditure increase is associated with implementing the proposed rules, which have associated administrative costs. However, the LDAF indicates that it will absorb all administrative costs within its current appropriation and will carry out any additional duties associated with the proposed rules using existing personnel. The proposed rule will not result in any costs or savings to local governmental units.

The proposed rules outline policies for solicitation, selection, and contracting of private entities to advertise on assets owned by the LDAF. Furthermore, the proposed rules include guidelines for the content and placement of advertisements and sponsorships of LDAF assets.

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

The proposed rules will increase self-generated revenue collections for the LDAF by an indeterminable amount. Included in the proposed rules is a provision allowing the LDAF discretion in approving financial or in-kind support during the solicitation process for entities wishing to advertise on or sponsor assets owned by the department. LDAF staff indicates that the department will use this discretion to set rates for advertisements and sponsorships, and that rates will vary depending upon the asset type and visibility. Because of the aforementioned factors, the revenue increase is indeterminable.

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

Entities selected to advertise on or sponsor LDAF assets will have to pay to advertise on or sponsor department-owned property. The amount entities will pay to sponsor and/or advertise on LDAF-owned assets is indeterminable, as rates will be set at the department's discretion during the solicitation process and will be dependent upon the asset type and the asset's visibility. Because of the aforementioned factors, costs to entities wishing to advertise on LDAF assets are indeterminable, but will be equal to any revenue gained by the department as outlined in Part II.

The proposed rules provide an economic benefit for entities wishing to advertise on or sponsor LDAF assets, as it may increase visibility for these entities and increase their business activity. However, the exact effect of entities advertising on LDAF-owned assets cannot be determined.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The proposed rule may increase business activity for entities choosing to advertise on or sponsor LDAF assets relative to entities who do not advertise on LDAF assets, though the exact effect of the additional advertisement for entities participating in the LDAF program is unknown. However, the aggregate amount of business activity statewide will not likely be affected.

The proposed rule will not affect employment.


Signature of Agency Head or Designee

Dane Morgan
Typed Name & Title of Agency Head or Designee

12/7/16
Date of Signature


Legislative Fiscal Officer or Designee

12/8/16
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 proposed rule sets forth the procedure to be used for solicitation, selection and contracting for advertisements on department owned property.

The proposed rule also sets forth guidelines for content of advertising.

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

The proposed rule is authorized by R.S. 3:6 (enacted by Act 70 of the 2016 Regular Session of the Louisiana Legislature), which provides as follows:

§6. Placing of advertising signs on state-owned property

A. The department may authorize the placement, erection, and maintenance of advertising and sponsorship signs on immovable property, improvements on immovable property, vehicles, vessels, airplanes, and assets of the department.

B. The department shall establish appropriate and reasonable fees and promulgate rules and regulations in accordance with the Administrative Procedure Act to implement the provisions of this Section.

- 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 rule will not 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 rules will result in a marginal expenditure increase for the LA Dept. of Agriculture & Forestry (LDAF).

COSTS	FY 17	FY 18	FY 19
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
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 expenditure increase is associated with implementing the proposed rules, which have associated administrative costs. However, the LDAF indicates that it will absorb all administrative costs within its current appropriation and will carry out any additional duties associated with the proposed rules using existing personnel. The proposed rule will not result in any costs or savings to local governmental units.

The proposed rules outline policies for solicitation, selection, and contracting of private entities to advertise on assets owned by the LDAF. Furthermore, the proposed rules include guidelines for the content and placement of advertisements and sponsorships of LDAF assets.

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

Self-generated revenues

SOURCE	FY 17	FY 18	FY 19
State General Fund	0	0	0
Agency Self-Generated	SEE BELOW	SEE BELOW	SEE BELOW
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 rules will be administered utilizing existing personnel and 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.

The proposed rule will not impact 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 rules will increase self-generated revenue collections for the LA Dept. of Agriculture & Forestry (LDAF) by an indeterminable amount.

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

Included in the proposed rules is a provision allowing the LDAF discretion in approving financial or in-kind support during the solicitation process for entities wishing to advertise on or sponsor assets owned by the department. LDAF staff indicates that the department will use this discretion to set rates for advertisements and sponsorships, and that rates will vary depending upon the asset type and visibility. Because of the aforementioned factors, the revenue increase is indeterminable

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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.

Entities selected to advertise on or sponsor LDAF assets will have to pay to do so. The amount entities will pay to sponsor and/or advertise on LDAF-owned assets is indeterminable, as rates will be set at the department's discretion during the solicitation process and will be dependent upon the asset type and the asset's visibility. Because of the aforementioned factors, costs to entities wishing to advertise on LDAF assets are indeterminable, but will be equal to any revenue gained by the department as outlined in Part II.

The proposed rules provide an economic benefit for entities wishing to advertise on or sponsor LDAF assets, as it may increase visibility for these entities and increase their business activity. However, the exact effect of entities advertising on LDAF-owned assets cannot be determined.

- 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.

Entities selected to advertise on department-owned assets would have to pay fees to the department in order to do so.

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 may increase business activity for entities choosing to advertise on or sponsor LDAF assets relative to entities who do not advertise on LDAF assets, though the exact effect of the additional advertisement for entities participating in the LDAF program is unknown. However, the

aggregate amount of business activity statewide will not likely be affected.

The proposed rule will not affect employment.