

FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES

Person
Preparing
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Return
Address: 5825 Florida Blvd., Suite 2000 Rule
Baton Rouge, LA 70806 Title: Flow Meter Fees
(LAC 7:XXXV.125(H))
Date Rule
Takes Effect: upon promulgation

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 increases costs from the Weights and Measures Fund by \$7,500 per year. The proposed rule change deletes the current tiered fee structure for mass flow meters registration and replaces it with a flat per device fee of \$250. Under the proposed rule change, the current annual registration fee for mass flow meters in Class 1 will increase by \$170 from \$80 to \$250 and Class 2 will increase by \$65 from \$185 to \$250. The current fees collected from the registration of mass flow meters do not cover the cost of testing and certifying mass flow meters incurred by the Weights and Measures Division within the Louisiana Department of Agriculture and Forestry (LDAF). The proposed rule change will help to recover the costs of testing and certifying these devices.

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

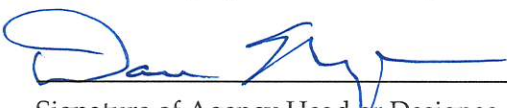
The proposed rule change is anticipated to result in increased annual collections of \$7,500 in the Weights and Measures Fund. There are approximately 100 of these commercial meters in Louisiana. The cost estimate for certifying a mass flow meter is \$252 (1 Inspector position in the Weights and Measures Division at an average salary of \$42/hour for 6 hours). Currently, the department collects a maximum fee of \$185 per meter, which is only 73% of the cost of the inspection. An increase to \$250 per meter will cover the cost of inspection; thereby increasing revenue collections by \$7,500 (\$65 increase from the maximum fee of \$185 to \$250 x 100 meters).

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

The proposed rule change is anticipated to increase annual registration costs by \$65 per commercial meter and \$185 per mass flow meter (typically chemical and petroleum industries), which is estimated to be an overall increase of \$7,500 annually.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The proposed rule change is not anticipated to effect competition or employment.


Signature of Agency Head or Designee
Dane Morgan
Assistant Commissioner of Management & Finance

Legislative Fiscal Officer or Designee

4-8-2021
Date of Signature

Date of Signature

**FISCAL AND ECONOMIC IMPACT STATEMENT
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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).

A mass flow meter is a weighing and measuring device that uses metering principles to measure liquid or gaseous materials and accurately determine weight. The Weights and Measures Division does not currently have the standards needed to test these meters. These devices must be certified as commercial weighing and measuring devices under current law. To get their mass flow meters certified, a device owner must have a registered service agency test the device in the presence of a Weights and Measures official. The Weights and Measures official determines if the device conforms to the specifications and tolerances set forth in NIST Handbook 44 (Specifications, Tolerances, and Other Technical Requirements for Weighing and Measuring Devices). The proposed rule change helps recover some of the costs associated with the certification of mass flow meters used commercially.

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

Currently, the licensing fee does not cover the expenses for certifying mass flow meters. As mentioned above, the Weights and Measures Division does not have the standards required to test these devices, therefore, third-party testing is witnessed by our inspectors to ensure that all specifications, tolerances, and other technical requirements are met according to NIST Handbook 44. This increase will help recover most of the costs associated with certifying these meters. Certifying these meters is necessary to ensure equity in the marketplace.

- 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 change increases costs from the Weights and Measures Fund by \$7,500 per year, which will help cover the current costs of certifying mass flow meters.

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

Currently, the fees collected for registering mass flow meters does not cover the cost of licensing, testing, and certifying of these meters. The proposed rule change will help to cover the costs of certifying these meters.

**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 increases costs from the Weights and Measures Fund by \$7,500 per year, which will help cover the current costs of certifying mass flow meters.

COSTS	FY 21	FY 22	FY 23
Personal Services	7,500	7,500	7,500
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	7,500	7,500	7,500
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.

These mass flow meter devices are already being registered and the inspections are witnessed by Weights and Measures inspectors. The testing procedure is time consuming and this fee increase will help defray some of the costs associated with the witnessing of the test.

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

SOURCE	FY 21	FY 22	FY 23
State General Fund	0	0	0
Agency Self-Generated	0	0	0
Dedicated	7,500	7,500	7,500
Federal Funds	0	0	0
Other (Specify)	0	0	0
TOTAL	7,500	7,500	7,500

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 has the funds to implement the proposed action. These devices are already being registered and the inspections are already being witnessed by Weights and Measures inspectors. The testing procedure is time-consuming and this fee increase will help defray some of the costs associated with the witnessing of the test.

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 inspections are currently being performed. Workload and paperwork requirements will remain the same. The cost estimate for certifying a mass flow meter is \$252 (1 Inspector position at an average of \$42/hour for 6 hours). LDAF currently collects up to \$185 per meter (73% of the cost). An increase to \$250 per meter will cover the cost of the inspection.

2. Indicate the sources of funding of the local governmental unit, which will be affected by these costs or savings.

The increase in collected funds will be deposited in the Weights and Measures Fund. The cost of the inspections will be covered by the Weights and Measures Fund.

**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?

REVENUE INCREASE/DECREASE	FY 21	FY 22	FY 23
State General Fund	0	0	0
Agency Self-Generated	0	0	0
Dedicated Funds* (Weights and Measures)	\$7,500	\$7,500	\$7,500
Federal Funds	0	0	0
Local Funds	0	0	0
TOTAL	\$7,500	\$7,500	\$7,500

*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 cost estimate for certifying a mass flow meter is \$252 (1 Inspector position at an average of \$42/hour for 6 hours). The department currently collects up to \$185 per meter (73% of the cost). An increase to \$250 per meter will cover the cost of the inspection. There are currently approximately 100 commercial mass flow meters registered in Louisiana. This technology is increasing in usage and is expected to continue to grow. Due to the expense of the testing equipment (field standards), the Weights and Measures Division plans to continue witnessing these tests to certify the devices.

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.

Owners of mass flow meters (typically chemical and petroleum industries) will see an increase from \$80 or \$185 per device to \$250 per device for registration and licensing. This is estimated to be an overall increase of \$7,500 annually. There will be no additional workload or paperwork as a result of this rule change.

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.

These devices must be certified as commercial weighing and measuring device under current law. To get their mass flow meters certified, a device owner must have a registered service agency test the device in the presence of a Weights and Measures official. The Weights and Measures official determines if the device conforms to the specifications and tolerances set forth in NIST Handbook 44 (Specifications, Tolerances, and Other Technical Requirements for Weighing and Measuring Devices)

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 is not expected to have an impact on competition or employment in the public or private sector since the licensing and certification of the devices is currently taking place under existing regulations.