

TITLE 355 STATE CHEMIST OF THE STATE OF INDIANA

Fiscal Impact Analysis

LSA Document #20-15 Processed Manure

1) **Fiscal Impact Analysis.** Prior to State Budget Agency approval of a rule under Executive Order 2-89, the agency proposing the adoption of a new rule or the adoption of an amendment to an existing rule must complete and submit to the Budget Agency a fiscal impact analysis on state and local government. At a minimum, the fiscal impact analysis shall contain the following:

a. A calculation of the estimated fiscal impact on state and local government;

The Office of Indiana State Chemist (OISC) currently registers 9,000 fertilizer products from 600 different companies. We anticipate the proposed rule to create no more than 10 new companies initially with less than 20 new products. The increase in administrative cost will not be noticed. The proposed rules will establish a product registration fee as well as a tiered inspection fee based on tonnage. Should every anticipated company hit the top tier of inspection fees the total increase to OISC would be \$15,000. That amount has virtually no impact to OISC. There are no other state or local government agencies impacted by the proposed rules.

b. The anticipated effective date of the rule;

OISC anticipated the effective date of the rule to be 30 days following signing.

c. Identification of any sources of revenue affected by the rule, the estimated increase or decrease in revenues or expenditures of state and local government that would result from the implementation of the rule, including the costs necessary to enforce the rule, and the related citation to the rule provision(s);

As discussed in (a); OISC currently registers 9,000 fertilizer products from 600 different companies. We anticipate the proposed rule to create no more than 10 new companies initially with less than 20 new products. The increase in administrative cost will not be noticed. The proposed rules will establish a product registration fee as well as a tiered inspection fee based on tonnage. Should every anticipated company hit the top tier of inspection fees the total increase to OISC would be \$15,000. That amount has virtually no impact to OISC.

d. Identification of any appropriation, distribution, or other expenditures of revenue affected by the rule and the related citations to the rule provision(s);

OISC is self-funded through registration and inspection fees. We anticipate that the slight increase in revenue will cover the slight increase in expenditures in administrative and other tasks including inspections, sampling and analysis of products that the new rule creates.

e. Identification of the administrative impact to state and local governments, and the related citations to the rule provision(s);

OISC is the only state or local government entity that will have any impact. As mentioned above; OISC currently registers 9,000 products and 600 companies that are similar to the anticipated 10 companies and 20 products the proposed rules will include. The small increase will have an insignificant impact.

Citations include IC 15-16-2-1.5 which directs OISC to develop the proposed rules as well as IC 15-16-2-35 & 36 which address how the inspection fees are handled.

f. A determination concerning the extent to which the proposed rule creates an unfunded mandate on a state agency or political subdivision; and

IC 15-16-2-1.5(c)(2) directs OISC to adopt rules for “establishing fees for the distribution of manure based fertilizer.” This allows OISC to maintain being self-funded therefore there is no unfunded mandate.

g. If the proposed rule is readopting an expiring rule, the agency shall also include the fiscal analysis relied upon at the time of its last adoption as well as a current review of the accuracy of that analysis.

The proposed rule is a new rule and is not readopting an expiring rule.