

**September 2023**

**Economic Impact Statements for Proposed Rules**

The corresponding proposed rule to each of the statements below may be viewed in its entirety in the September 20, 2023 *Louisiana Register*. Each *Louisiana Register* edition is published on the 20<sup>th</sup> of each month.

<b>Promulgating Agency</b>	<b>Title of Proposed Rule</b>	<b>Estimated Costs and/or Economic Benefits to Directly Affected Persons, Small Businesses or Nongovernmental Groups</b>
<b>Department of Agriculture and Forestry</b>	<b>Structural Pest Control</b>	The proposed Rule changes will not directly affect persons, small businesses, or non-governmental groups, and are not anticipated to increase or decrease costs to the market.
<b>Department of Children and Family Services</b>	<b>Thrive: The Baby and Parent Network</b>	Implementation of this proposed rule is not anticipated to have an economic cost or benefit to individuals, small businesses or non-governmental groups. This rule adopts the Thrive: The Baby and Parent Network, which is anticipated to provide parenting resources for those participating in the program who face the challenges of pregnancy and parenting.
<b>Department of Children and Family Services</b>	<b>Recovery of Overpayments, Standard Medical Deduction, Claims against Households, and Simplified Reporting</b>	Implementation of this proposed rule may impact benefit recipients that received certain overpayments. If the overpayment is less than \$350, it will not be subject to collection by DCFs. Collectively, this rule is anticipated improve the application process and provide better customer service to applicants and benefit recipients.
<b>Department of Economic Development</b>	<b>Motion Picture Production Tax Credit Program</b>	Firms who are eligible for film tax credits will realize a reduction in tax liabilities to the extent they qualify for the credit.
<b>Department of Economic Development</b>	<b>Angel Investor Tax Credit Program</b>	The proposed rule change has no effect on persons, small businesses or non-governmental groups beyond those experienced in the current program. Investors earning credits under the extended timeframe would otherwise not be eligible and any businesses receiving the investment may be required to seek a different means of funding.
<b>Office of Student Financial Assistance</b>	<b>M.J. Foster Promise Program</b>	This program provides financial assistance of up to \$6,400 over a three-year period for students ages 21 and older who enroll at eligible two-year public postsecondary institutions or proprietary schools in designated programs that lead to jobs in one of five identified industry sectors that are predominated by high demand, high wage jobs. This will provide a direct benefit to students and their families. The program will also provide Louisiana employers with a better-educated workforce and may also attract out-of-state employers to Louisiana, thus providing additional better paying jobs.
<b>Office of Student Financial Assistance</b>	<b>TOPS and TOPS Core Curriculum</b>	Under the proposed rule changes, certain out-of-country students may qualify for a TOPS award. These students who choose to attend an in-state school to further their education may remain in Louisiana upon completion of their education. This will provide Louisiana employers a better-educated workforce and may also attract out-of-state employers to Louisiana thus providing additional better paying jobs.
<b>Office of Student Financial Assistance</b>	<b>Achieving a Better Life Experience</b>	The proposed changes will not provide or impact economic benefits to directly affected persons or nongovernmental groups.
<b>Office of Student Financial Assistance</b>	<b>Advisory Board Bylaws</b>	Use of teleconferencing and video conferencing will provide additional opportunities for the public to access public meetings of the LOSFA Advisory Committee and ABLE Account Advisory Council.
<b>Office of Student Financial Assistance</b>	<b>National Guard Patriot Scholarship</b>	This program provides financial assistance for National Guard member students who enroll at eligible Louisiana public postsecondary institutions. This will provide a direct benefit to these students and their families. The program will also provide Louisiana employers with a better-educated workforce and may also attract out-of-state employers to Louisiana, thus providing additional better paying jobs.

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Department of Environmental Quality	Permit Procedures	There are no estimated costs and/or economic benefits to directly affected persons or non-governmental groups anticipated as a result of the proposed rule changes.																											
Department of Environmental Quality	UST Grant Program	The proposed rule will establish procedures for each eligible applicant to apply for a reimbursement grant to provide financial assistance in upgrading and/or improving single wall underground storage tanks (USTs). No single grant shall exceed \$150,000. While the costs to upgrade and/or improve single wall USTs will likely exceed \$150,000, the proposed rule will provide a financial incentive for applicants to install a UST system that is more protective of the state's environment. Due to the anticipated participation, the proposed rule may increase demand for persons or small business that provide services to USTs.																											
Commission on Law Enforcement and Administration of Criminal Justice	Formula for Distribution of Federal Funds	<p>There is an anticipated impact to law enforcement planning districts, which are non-governmental groups.</p> <p>As indicated in the chart below, some districts (Northwest, Capital, and Metropolitan) will experience an increase in revenue due to the reallocation. Other districts (North Delta, Red River, Evangeline, Southwest, and Orleans) will experience a decrease in revenue due to the reallocation.</p> <p>The proposed distribution formula percentage for each Law Enforcement Planning District is being revised as follows:</p> <table border="1" data-bbox="1241 656 1745 954"> <thead> <tr> <th>Law Enforcement Planning District</th> <th>Existing Formula Distribution Percentage</th> <th>Revised Formula Distribution Percentage</th> </tr> </thead> <tbody> <tr> <td>Northwest</td> <td>11.07</td> <td>12.20</td> </tr> <tr> <td>North Delta</td> <td>10.77</td> <td>10.09</td> </tr> <tr> <td>Red River</td> <td>9.74</td> <td>9.59</td> </tr> <tr> <td>Evangeline</td> <td>10.66</td> <td>10.28</td> </tr> <tr> <td>Capital</td> <td>15.95</td> <td>19.31</td> </tr> <tr> <td>Southwest</td> <td>10.44</td> <td>10.11</td> </tr> <tr> <td>Metropolitan</td> <td>15.48</td> <td>17.79</td> </tr> <tr> <td>Orleans</td> <td>15.89</td> <td>10.63</td> </tr> </tbody> </table>	Law Enforcement Planning District	Existing Formula Distribution Percentage	Revised Formula Distribution Percentage	Northwest	11.07	12.20	North Delta	10.77	10.09	Red River	9.74	9.59	Evangeline	10.66	10.28	Capital	15.95	19.31	Southwest	10.44	10.11	Metropolitan	15.48	17.79	Orleans	15.89	10.63
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Department of Health	Pharmacy Benefit Management Program Over-the-Counter Coverage	This proposed rule amends the provisions governing the Pharmacy Benefit Management Program in order to remove references to specific over the counter (OTC) drugs covered in the Medical Assistance Program from the Louisiana Administrative Code. This action is a result of guidance issued by the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services requesting that states consider removing the list of covered OTC drugs from the Medicaid State Plan and include these items in the provider manual, which requires a corresponding change to the administrative rule. Implementation of this proposed rule will not result in costs to pharmacy providers, small businesses, or the Medicaid Program in FY 23-24, FY 24-25, and FY 25-26, since this rule does not change the drugs that are currently covered in the Medicaid Program.																											
Department of Health	Professional Services Program	This proposed rule repeals professional services rules which were promulgated prior to implementation of the Louisiana Administrative Code codification system. It has been determined that the provisions of these uncodified rules are obsolete or procedural requirements that are included in the provider manual and should be repealed. It is anticipated that implementation of this proposed rule will not result in costs or benefits to Medicaid providers and small businesses in FY 23-24, FY 24-25, and FY 25-26, since the current provisions governing these programs and services are already accurately reflected in the Louisiana Administrative Code.																											

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<b>Department of Health</b>	<b>Targeted Case Management</b>	This proposed rule amends the provisions governing targeted case management (TCM) under the New Opportunities Waiver, early and periodic screening, diagnosis and treatment, and the EarlySteps Program in order to clarify language and ensure the requirements for TCM services are accurately reflected throughout the administrative rule. It is anticipated that implementation of this proposed rule will not result in costs to Medicaid providers or small businesses in FY 23-24, FY 24-25, and FY 25-26, but will be beneficial by ensuring that the provisions governing TCM services are clearly and accurately promulgated in the Louisiana Administrative Code.
<b>Licensed Professional Counselors Board of Examiners</b>	<b>Social and Cultural Foundations Continuing Education Requirement</b>	The proposed changes would require a specific type of training but would not increase the number of hours that are currently required to renew a license. The coursework that would be required is currently available from existing continuing education providers. The fees for social and multicultural foundations coursework are comparable with those for general continuing education hours.
<b>Licensed Professional Counselors Board of Examiners</b>	<b>Supervision Requirement for Provisional Licensed Professional Counselors</b>	The proposed rule changes are not anticipated to provide costs and/or benefits to directly affected persons, small businesses, or non-governmental groups.
<b>Department of Natural Resources</b>	<b>Pipeline Safety</b>	There are no anticipated costs to directly affected persons, small businesses, or non-governmental groups.
<b>Department of Public Safety and Corrections</b>	<b>Driving Schools</b>	The proposed rule implements Act 176 of the 2023 regular Session which eliminated the requirements that owners and instructors had to pay a separate third party tester/examiner fee to be authorized to administer the knowledge and skills test. This will have an impact on state governmental revenue by reducing self-generated fees in the Office of Motor Vehicles (OMV). The agency estimates a revenue decrease of \$16,781 in FY 24, \$84,435 in FY 25, and \$16,781 in FY 26. However, no local governmental unit revenues are impacted.
<b>Department of Public Safety and Corrections</b>	<b>Public Tag Agents</b>	The proposed rule will not have any effect on the estimated costs and/or economic benefits to directly affected persons, small businesses, or nongovernmental groups.
<b>Department of Revenue</b>	<b>Electric and Hybrid Vehicles</b>	Owners of electric and hybrid vehicles registered in Louisiana will be directly affected by the imposition of the fees and the additional paperwork, but the anticipated impact will be minimal. Dealers selling or leasing, auto title companies, and other public license tag agents that process electric and hybrid vehicle transactions are required to provide written notification to the purchaser, lessee, or transferee owner of the obligation to remit the road usage fee to the Department of Revenue annually. Since the notification may be provided by hand delivery, U.S. Mail, email, text message, or any other verifiable means, the anticipated costs are expected to be minimal.
<b>Department of Revenue</b>	<b>Income Exemption for Digital Nomads</b>	The proposed rule will reduce the income tax liability of qualifying taxpayers in the form of an exemption of income to arrive at taxable income under LA R.S. 47:293(9)(a)(xxii) and 47:297.18. Individuals seeking the exemption will need to establish residency in Louisiana and work remotely for a nonresident business. The individual may incur moving and job searching expenses which could be offset by the reduction in tax liability as a result of the exemption. Due to the availability of the exemption, some employers may experience an increase in employees requesting to relocate and associate paper work but that should also be minimum.
<b>Department of Revenue</b>	<b>Income Tax Return Filing Extensions</b>	Corporate income taxpayers whose federal due date is after the Louisiana due date will now be granted a state extension. The savings should be immaterial for accounting firms since the number of taxpayers is small. Corporate income taxpayers located in a federally declared disaster area will also receive a state extension if one was granted for federal purposes. The savings from this aspect of the rule could be material for larger accounting firms depending on the number of clients in Louisiana.

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<p align="center"><b>Department of Wildlife and Fisheries</b></p>	<p align="center"><b>Derelict Crab Trap Removal Program</b></p>	<p>Crab fishers who utilize the areas proposed for closure will experience lost fishing time during the designated period and encounter additional costs to temporarily remove their traps. These crab fishers must either move their traps to open fishing areas or remove their traps from the water for the duration of the closure. Traps that are not removed from waters in the closed areas within the allotted time may be destroyed, potentially creating an additional cost to replace the traps for noncompliant fishers.</p> <p>Local seafood dealers, processors and consumers may experience a slight decrease in the availability of fresh crabs during the closures, resulting in a slightly higher price for fresh crabs in the short term. However, the crab resource will not be lost or harmed in any way and will be available for harvest when the closed area is reopened.</p> <p>The removal of abandoned crab traps should provide improved fishing and reduced fishing costs for recreational saltwater fishers, commercial fishers and individuals who operate vessels within the designated areas by reducing encounters with abandoned traps that often result in lost fishing time and damage to the vessel's lower unit or fishing gear. The removal of abandoned crab traps will reduce the mortality and injuries to crabs and by-catch that become ensnared and die in these traps, benefiting crab harvesters.</p> <p>The overall impact of the proposed area closure is anticipated to be minimal because the closure would occur during the time of the year with the lowest harvests and adjacent waters will remain open for crab fishers to continue to fish.</p>
<p align="center"><b>Department of Wildlife and Fisheries</b></p>	<p align="center"><b>Special Bait Dealer's Permit</b></p>	<p>The proposed rule change extending the current rules for special bait dealer permit holders may have a moderate positive effect on receipts and income for permit holders and harvesters in the commercial bait fishery relative to what they might be if the rules were to expire at the end of 2023.</p> <p>Though total bait landings after the adoption of the current rules do not appear to be larger than landings observed in previous years, there is some statistical evidence suggestive of an increase in total dockside values, value per dealer, value per harvester, and landings per trip.</p>