

FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES

Person
Preparing
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Return
Address: P.O. Box 94396 Rule
Title: LAC 43:I.133 - Debts Owed to the
Baton Rouge, LA 70804-9396 ~~Department of Natural Resources~~

Date Rule
Takes Effect: February 20, 2018

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 will not result in costs or savings to the state or local governmental units. The purpose of the rule is to establish a process to invoice for debt owed to the Department of Natural Resources (DNR). The proposed rule does not create a new debt but sets forth the process of when and how debts become final. The proposed rule includes the due date, process to challenge the debt, and the deadline to submit. The proposed rule is applicable to all the debts owed to DNR except for debts associated with mineral leases or operating agreements, federal loans or grants, the Office of Conservation, the Fisherman's Gear Compensation Fund, or the overpayment of active or separated employees.

La. R.S. 47:1676 requires that "final debt" owed to a State agency be forwarded to the Louisiana Office of Debt Recovery (ODR) for collection activities. There was no clear method of determining exactly when the applicable debts owed to the DNR become "final debts" if not paid or litigated. Additionally, there was no clear administrative process for persons to challenge applicable debts invoiced by DNR. The proposed rule would address both of these needs.

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

The proposed rule is anticipated to increase revenue collections to DNR and ODR by an indeterminable amount. The proposed rule is intended to increase clarity of when applicable debts become final. This may lead to additional collections of these existing debts, however, the amount of collections that will be received is too uncertain to estimate at this time.

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

The proposed rule does not create new debt obligations or entitlements, but does set a clear deadline for when debts may be forwarded to ODR. Therefore, it is anticipated entities that owe debt to DNR will be paying their debt more frequently since the proposal sets forth the appropriate process for invoicing authorized debts, challenging authorized invoiced debts, and finalizing authorized debts for collection. The amount of collections that will be paid by the entities is too uncertain to estimate at this time.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The proposed rule will have no impact upon competition and employment in the state.


Signature of Agency Head or Designee

Thomas F. Harris, Secretary


Legislative Fiscal Officer or Designee

Typed Name & Title of Agency Head or Designee

11/8/2017
Date of Signature

11/8/17

11/8/17
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).

This proposal adopts a new section 133 of Title 43, Part I, of the Louisiana Administrative Code. Proposed section 133 sets forth the process for invoicing, the due date of, deadline to challenge, and the process for challenging an applicable debt owed to the Department of Natural Resources. This proposal sets forth a mechanism by which all applicable debts owed the Department of Natural Resources may become "final" as that term is used in La. R.S. 47:1676. Additionally the proposed rule creates a clear administrative process by which persons wishing to challenge the invoiced debt can do so.

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

La. R.S. 47:1676 requires that "final debt" owed to a State agency be forwarded to the Louisiana Office of Debt Recovery for collection activities. There was no clear method of determining exactly when the applicable debts owed to the Department of Natural Resources become "final debts" if not paid or litigated. Additionally, there was no clear administrative process for persons to challenge applicable debts invoiced by the Department of Natural Resources. The proposed rule would address both of these needs.

- 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.

No. The proposed rule will be administered by existing agency staff. No new expenditure of funds is contemplated. There is a chance of slight savings overall as the rule may create more efficiencies in debt collection and in how challenges to invoiced debts are handled.

- (2) If the answer to (1) above is yes, has the Legislature specifically appropriated the funds necessary for the associated expenditure increase? NA

(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?

COSTS	FY 18	FY 19	FY 20
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.

There should be no increase or decrease in cost or savings. The new rule provides clarity as to how DNR's applicable debts become final consistent with La. R.S. 47:1676 and how someone wishing to challenge an applicable debt they have been assessed should do so. The new process outlined in the proposed rule will require: (1) a one-time revision of existing forms to include instructions on how persons can administratively challenge a debt they have been assessed, (2) revision to tracking sheets to document when deadlines set forth in the proposal have been reached, and (3) representation of the department by existing staff attorneys at public hearings held by the Div. of Administrative Law.

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

SOURCE	FY 18	FY 19	FY 20
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?

Yes, there is no increase in funding required.

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.

No impacts specific to local governmental units are expected. To the extent local governmental units are invoiced by the Department of Natural Resources, these units would be included within the same process as any other person invoiced a debt by the agency. The proposed rule sets forth a clear deadline when the debt(s) will become final and forwarded to the Office of Debt Recovery for collections. While the collections process by the Office of Debt Recovery exists separate and apart from the proposed rule, by setting a clear deadline for when debts may be forwarded to the Office of Debt Recovery, it is reasonable to expect that such collection activities against any local governmental units owing debts to the agency will increase and occur more frequently. Again, however, the proposed rule is not creating a new debt to such parties. There is no increased cost to local governmental units anticipated by this proposal.

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

Not applicable. There is no increased cost to local governmental units anticipated by this proposal.

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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?

REVENUE INCREASE/DECREASE	FY 18	FY 19	FY 20
State General Fund	0	0	0
Agency Self-Generated	0	Indeterminable	Indeterminable
Dedicated Funds*	0	0	0
Federal Funds	0	0	0
Local Funds	0	0	0
TOTAL	0	Indeterminable	Indeterminable

*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 proposed rule is anticipated to increase revenue collections to DNR and ODR by an indeterminable amount. While the increased clarity of when applicable debts become final may lead to additional collections of these debts pursuant to already existing statutes and rules, the amount of collections made by the Office of Debt Recovery is too uncertain to estimate at this time. At the time of this impact statement, the total debt owed to DNR is approximately \$190,000 and there are approximately 690 open accounts.

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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.

Persons invoiced for applicable debts owed to the Department of Natural Resources are being provided a clear administrative path for challenging such debts. Without this administrative path, the only avenue for these persons to challenge applicable alleged debts is through the court system which is more costly and time consuming than the proposed administrative process. The proposed rule sets forth a clear deadline when the applicable debt(s) will become final and forwarded to the Office of Debt Recovery for collections. While the collections process of the Office of Debt Recovery exists separate and apart from the proposed rule, by setting a clear deadline for when debts may be forwarded to the Office of Debt Recovery, it is reasonable to expect that such collection activities against those owing debts to the agency will increase and occur more frequently. Again, however, the proposed rule is not creating a new debt to such parties.

No other persons or non-governmental groups should be directly affected by the proposed action.

- 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.

Similarly the proposed rule should not have a quantifiable effect on the receipts or income of persons or non-governmental groups since it creates no new debt obligations or entitlements. Instead the proposal sets forth the appropriate process for invoicing authorized debts, challenging authorized invoiced debts, and finalizing authorized debts for collection.

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.

No impacts are estimated for the proposed action on competition or employment in the public or private sectors.