

Economic Impact Statement

LSA Document #07-186

IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses

Estimated Number of Small Businesses Subject to this Rule:

Hydrilla has been a federal noxious aquatic plant for years. This federal classification makes import to the U.S. and interstate movement of hydrilla illegal. With no legal way to get hydrilla into the state, it should not be a part of the wholesale or retail trade in Indiana. Even Internet searches cannot find this plant available for purchase in not just Indiana but all of the U.S.

There are tens of thousands of private waters in Indiana. There is no way to estimate how many of these ponds are owned by small businesses or how many may be infested with hydrilla. Only one hydrilla infestation is known in Indiana at this time and that is on public water.

Businesses that specialize in watercraft removal and storage are subject to this rule since they must inspect the equipment as they remove it to be certain there is no hydrilla present. There is no known way to determine the number of small businesses that specialize in this type of service.

Estimated Average Annual Reporting, Record Keeping, and Other Administrative Costs Small Businesses Will Incur for Compliance:

If a Small Business discovers hydrilla, they must report the discovery to a Department of Natural Resources (DNR) fisheries biologist or the Aquatic Invasive Species Coordinator. A simple phone call or e-mail describing the location, date, and contact information for the person reporting the discovery is sufficient. DNR would then take steps to confirm the report.

Since all ponds vary in size and depth, there is no way to estimate the costs that would be incurred should a small business have to implement hydrilla eradication efforts in a pond owned by them. Based on the estimated costs of chemical eradication of hydrilla in Lake Manitou, estimates of nearly \$2,700 per acre is reasonable to assume should private water owned by a small business become infested with hydrilla.

As the watercraft storage businesses remove watercraft, they will have to invest some time in the inspection of the equipment to be certain that there is no hydrilla present. For a 30 foot recreational boat, it is expected that the visual inspection and hand removal of all plant material from the boat and trailer would take less than five minutes.

Estimated Total Annual Economic Impact on Small Businesses to Comply:

Since hydrilla has not been in trade, this rule is not taking away a product that small businesses have sold in the past.

The eradication of hydrilla can be very costly on a per acre basis. If small businesses comply with the rule by not introducing hydrilla to their waters, they will never have to incur the cost of eradication.

The economic impact for boat storage businesses will be minimal. Inspection and hand removal of all plant material takes very little time. No special equipment is necessary to clean hydrilla from aquatic equipment.

Justification Statement of Requirement or Cost:

If hydrilla is introduced into a lake or pond, it can displace native aquatic plants, cause fish population imbalances, reduce recreational opportunities, and negatively impact property values. Eliminating hydrilla from lakes and ponds can be difficult and expensive. A multi-year project to eliminate hydrilla from 734 acre Lake Manitou in Rochester, Indiana will likely cost \$2 million.

Regulatory Flexibility Analysis of Alternative Methods:

If rules are not adopted to demand the eradication of hydrilla or to prevent the possession or movement of hydrilla, the plant will spread quickly to public and private waters. Hydrilla, known as the "world's worst weed," would negatively impact aquatic ecosystems, reduce recreational potential on these waters, and negatively impact real estate values around an infested body of water.

With hydrilla being a federal noxious aquatic weed, the federal government can regulate against interstate movement of the plant. However, once a plant is in a state, the federal government no longer has jurisdiction to prevent its movement within a state. If a rule is not adopted to prevent the possession or sale of hydrilla, now that hydrilla is in Indiana the plant could be collected and offered for sale and thus increase the risk of spread.

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