

Economic Impact Statement

LSA Document #08-614

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

Estimated Number of Small Businesses Subject to this Rule:

The rule proposals have the potential to impose costs or requirements on regulated entities and small businesses, although the extraction of creek rock is not currently exempted from state statutes governing navigable waterways or governing nonnavigable waters within floodways. Two of the proposals would reduce requirements for regulated entities and small businesses by creating general licenses (license exemptions) for creek rock removals that are minimal and done during certain times of the year. The rule proposals would have either no effect or a primary or direct positive benefit on businesses by eliminating the requirement of a construction in a floodway permit with a minimum fee of \$50 in a navigable waterway and a fee of \$200 for a nonnavigable waterway. A small business or regulated entity that qualifies for a general license would not be required to satisfy the individual license fee.

There is no exact number of businesses that are known since some businesses may be operating at this time without the required license to conduct creek rock removal in a floodway. However, it is estimated that fewer than 20 small businesses will need either the construction in a floodway permit (which is already required by law), the navigable waterway permit, or the general license with notice to comply with these rules.

The rules have the potential to benefit businesses derived from recreational and commercial fishing since desirable fish species (such as smallmouth bass) can be adversely impacted by excessive creek gravel extractions. Businesses that may benefit from these rule proposals include bait and tackle shops and sporting goods stores, as well as those supported more generally by tourism.

The Natural Resources Commission has the authority to promulgate rules in accordance with the requirements found in [IC 14-28-1-22](#), [IC 14-29-1-8](#), and [IC 14-10-2-4](#).

Estimated Total Annual Economic Impact on Small Business to Comply:

The activities by small businesses that qualify for general licenses for creek rock would enjoy a simplified regulatory structure. Activities by small businesses that do not qualify are not subject to any new reporting, record keeping, or other administrative costs. Their costs are those associated with existing licensure requirements.

Justification Statement for Requirement or Cost:

All costs that would be incurred by small businesses under the proposed rules are reasonably required for the implementation of the purposes of [IC 14-29-1](#) and [IC 14-28-1](#).

Regulatory Flexibility Analysis of Alternative Methods:

All compliance and reporting requirements are justified for the implementation of [IC 14-29-1](#) and [IC 14-28-1](#). Authorizing general licenses, which do not pose unreasonable environmental consequences, allows regulated entities to remove significant quantities of creek rock without licensure fees or complex licensure processes. Beyond this flexible approach, no regulatory flexibility analysis of alternative methods was conducted by the DNR.

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