

Economic Impact Statement

LSA Document #09-62

IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses**Estimated Number of Small Businesses Subject to this Rule:**

The Board estimates that 520 small businesses will be impacted to some degree by this rule. The rule adds a certification and licensing requirement and a record keeping requirement for individuals who apply pesticides at golf courses. The Board estimates that the number of small businesses impacted to the greater extent would be 320. That number includes golf courses that do not already have a certified and licensed pesticide applicator on staff and that are not keeping some sort of pesticide application record or log already. The Board estimates that 200 small businesses will be impacted to a lesser degree. That number includes golf courses that already have certified and licensed applicators on staff for their own liability and professionalism purposes and that are already keeping some sort of pesticide application record to prevent serious damage to their courses. These estimates are based on the total number of golf courses in the state and do not include golf courses that may elect to "borrow" a pesticide applicator from another golf course or hire a licensed applicator as a contractor specifically to apply pesticides on the course.

Estimated Average Annual Administrative Costs That Small Businesses Will Incur:

The Board estimates that the 320 small businesses affected by the applicator certification and licensing requirement and the record keeping requirement will incur some moderate additional administrative expenses. An employee for these small businesses will have to pass a written applicator competency exam once every five years or attend continuing education programs (approximately \$150/year) and apply for and receive an annual pesticide applicator license (\$45/year). Pesticide applicators will spend a total of one to two days creating and maintaining the pesticide application records (approximately \$150). The total annual cost for a golf course that is currently not in compliance with either provision would be \$345. For the 200 golf courses already voluntarily in compliance with the provisions in this proposed rule, the annual additional cost would be closer to \$100.

Estimated Total Annual Economic Impact on Small Businesses:

The Board estimates that there will be approximately \$130,400 total annual fiscal impact on small businesses as a result of compliance with this rule. This total figure was calculated as 200 golf courses × \$100 = \$20,000 plus 320 golf courses × \$345 = \$110,400.

Supporting Data, Studies, and Analyses:

The Board reviewed cost data for applicator training from the Purdue University Cooperative Extension Service (the primary pesticide applicator trainer for the state) and cost data for exams and license fees from the Office of the Indiana State Chemist (the pesticide regulatory agency for the state). The Board also reviewed data from golflink.com for the total number of golf courses in Indiana and data supplied by members of the Indiana Golf Course Superintendents Association for average salaries of golf course employees most likely to be pesticide applicators.

Regulatory Flexibility Analysis of Alternative Methods:

The Board has been discussing this proposal and other potential regulatory remedies for pesticide problems at golf courses with various golf course superintendent associations and with the Indiana Chapter of the National Golf Course Owners Association for over two years. The Board has been working with these and other related groups for almost four years on voluntary measures and education and outreach to try to correct certain pesticide use problems. Golf courses have repeatedly, over the course of several years, been made aware of the potential for such a regulatory requirement. To the extent that one or more of these small businesses have chosen to plan for such requirements or go ahead and get their employees certified and licensed, the preparatory time has given those small businesses the opportunity to budget for the associated costs.

Explanation of Preliminary Determination:

The Board made a determination that the rule was necessary because the pesticide use practices at golf courses were found through a three year compliance inspection program conducted by the Office of the Indiana State Chemist to result in violations of current pesticide law and potential harmful pesticide exposure to golfers, including children. The violations continued in spite of repeated education and compliance assistance activities by the State Chemist, Purdue University Cooperative Extension Service, and others.

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