

Economic Impact Statement

LSA Document #09-808

[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 approximately 1,500 small businesses will be impacted by the changes to this administrative rule.

Estimated Average Annual Administrative Cost That Small Businesses Will Incur:

The small businesses that are impacted by the proposed changes are currently registered with the State Egg Board. The proposed rule does not require additional record keeping or administrative costs that may be incurred under the current administrative rule.

Estimated Total Annual Economic Impact on Small Businesses:

The economic impact on small business will be minimal. Retail fees for farmers market retailers will not change. This leaves approximately 1,300 small retailers who will see an increase in permit fees of \$10.

Small wholesalers, those distributing fewer than five 30 dozen cases per week, will see an increase in permit fees of \$20. The fee increase will apply to an estimated 69 wholesalers. As an offset to this increase, the small wholesalers will not be required to pay quarterly case fee assessments. At the proposed assessment rate of \$.11 per 30 dozen case, the average small wholesaler will save approximately \$7.50 per year. The actual increase is estimated at \$12.50 per wholesaler.

It is our best estimate that the remaining 3,000 retailers and 158 wholesalers do not meet the definition of a small business under [IC 4-22-2.1-4](#).

The total estimated economic impact on small businesses is \$13,862.50.

Supporting Data, Studies, and Analyses:

The Board used historical registration data and wholesaler volumes reported under the current program to estimate the numbers of small businesses impacted by this rule amendment. Additionally, product that has been out of compliance has been monitored over the years and giving the inspectors the authority to remove additional product from sale will have little or no impact on regulated businesses. This is due to the fact that current practices pass the loss back through the distributor to the packer.

Regulatory Flexibility Analysis of Alternative Methods:

The proposed rule amendments have been carefully considered and designed to have limited impact on small businesses. The distribution of fees based on the volume of product sold is an equitable method of recovering program costs. Additionally, by doing away with the case assessment on small distributors, we are putting less regulatory burden on small business.

Explanation of Preliminary Determination:

The State Egg Board has determined that, to comply with its regulatory responsibilities to the consumer and the shell egg industry under [IC 16-42-11](#), the rule amendments are critical. The continued operation and increased inspection authority serve to enhance the safety of shell eggs being sold to the consumers of Indiana while having a minimal impact on small businesses in Indiana.

Posted: 05/05/2010 by Legislative Services Agency

An [html](#) version of this document.