

**Economic Impact Statement**

LSA Document #18-508

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

Aquatic Invasive Species ([312 IAC 18-3-23](#)): Marinas and businesses that specialize in watercraft repair, removal, and storage are already subject to this rule since they must inspect the equipment as they remove it to be certain there are no regulated plants present. The addition of two species to the list of regulated plants does not impose an additional burden on the approximate 400 small businesses in Indiana that specialize in these types of services.

Hydrilla Repeal ([312 IAC 18-3-21](#)): [312 IAC 18-3-23](#), which governs prohibited invasive aquatic plants, was implemented in August 2012. No businesses are legally allowed to sell Hydrilla verticillata pursuant to [312 IAC 18-3-23](#). The repeal of [312 IAC 18-3-21](#) is sought because it is duplicative of [312 IAC 18-3-23](#). The proposed rule would not place any additional regulatory requirements on small businesses, as they are already subject to the requirements of [312 IAC 18-3-23](#). The requirements of [312 IAC 18-3-23](#) are less intrusive than those found in [312 IAC 18-3-21](#), which currently prohibit the possession of Hydrilla verticillata, require an owner of property to take lawful efforts to eliminate the species, and limit the types of applicable permits exempted from the section.

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

There are no reporting, record keeping, or administrative costs imposed on small businesses as a result of this rule.

**Estimated Total Annual Economic Impact on Small Businesses to Comply:**

The annual additional economic impact for marinas and boat repair, removal, and storage businesses will be negligible. These businesses are already subject to the rule and adding two plants does not impose additional costs on these businesses. It is estimated that visual inspection of a 30-foot boat for invasive species and hand removal of all regulated species takes approximately 15 minutes. At \$10 per hour, inspection and removal would cost \$2.50. An average business may remove 30 boats a month during the five month boating season costing the business a total of \$75 in labor per month. No special equipment is necessary to clean plant material from aquatic equipment. It is likely these businesses are already conducting these inspections to remove plants currently regulated under the rule. Including two more plants to the regulation may increase the number of plants removed from a given piece of equipment, but it should not impose additional economic impact on the businesses.

There are no small businesses that will be impacted economically by the repeal of [312 IAC 18-3-21](#).

**Justification Statement of Requirement or Cost:**

A risk assessment tool was developed by a group of aquatic invasive species experts and members representing the aquatic plant trade. These species are known to become invasive when released and can alter existing ecosystems. When an invasive species escapes into a lake or pond, it displaces native aquatic plants, causes fish population imbalances, and reduces recreational opportunities. A reduction in recreation causes a loss to the local area economy and the surrounding natural resources. Eliminating invasive species from infested lakes and ponds can be difficult and expensive. Starry stonewort is a macro algae that is typically introduced during the discharge of ballast water in ships transporting goods across oceans. This species has been spreading within Indiana in 20 different lakes. An excess of \$200,000 was spent to control or eradicate this species in 2017 and another \$250,000 is projected to be spent in 2018. Water soldier is a species native to Europe and Asia and typically inhabits sheltered water sources where it creates dense stands. This plant has a high capacity to disperse over long distances via the water and has been found in Canada. It is a fast grower that will crowd out native vegetation and is highly likely to move through transport of trailered boats.

While including two more plants to the list of regulated plants may cause inconvenience, that inconvenience pales in comparison to the cost incurred by the state to eradicate a species once it escapes into the environment and the damage that the invasive species could have on established ecosystems. Disposal of plant material in a manner that will not allow these species to spread should be a priority to all parties that have an interest in watercraft or recreational opportunities in Indiana's lakes and rivers.

The proposed rule eliminates a regulatory burden on small businesses. The Hydrilla verticillata rule, [312 IAC 18-3-21](#), is no longer needed as hydrilla is currently regulated under [312 IAC 18-3-23](#), which is less restrictive than [312 IAC 18-3-21](#).

**Regulatory Flexibility Analysis of Alternative Methods:**

One alternative to this regulation is that the state provide outreach and education to businesses and

consumers as to the invasiveness of the species listed in the proposed rule. If businesses effectively express warnings to the consumers a certain amount of protection could be achieved as members of the public would be educated about invasive species and the potential to move them through transport of watercraft.

If managers or owners of these businesses do not understand or are not concerned about the level of potential invasiveness of these listed species, or if they do not effectively warn consumers of its invasive characteristics, this option will not be as effective in stopping the movement of invasive plants as the proposed rule. Further, it would leave the state with no ability to prevent the transportation of the species to other bodies of water.

The repeal of [312 IAC 18-3-21](#) relieves small businesses of the more stringent regulation of hydrilla than is currently found in [312 IAC 18-3-23](#).

*Posted: 01/30/2019 by Legislative Services Agency*  
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