

Department of Planning and Budget 2017 Fiscal Impact Statement

1. Bill Number: HB1871

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Miyares

3. Committee: Rules.

4. Title: Joint Commission on Administrative Rules; periodic review of regulations.

5. Summary: The bill requires the Joint Commission on Administrative Rules, beginning January 1, 2019, and every year thereafter, to conduct a review of agency regulations. The bill also requires, beginning December 1, 2018, and every year thereafter on or before December 1, each agency promulgating a regulation to submit a written report to the Joint Commission on Administrative Rules including a summary of the necessity for the regulation and a summary of any rule or regulation adopted in the immediately preceding fiscal year, if any. The bill provides that in the event that an agency fails to submit the report required, the Joint Commission on Administrative Rules shall recommend to the Governor and the General Assembly that such agency's regulation be modified or suspended in accordance with the Administrative Process Act for legislative objections. The bill also requires general notice of the provisions of this requirement to be posted on the Virginia Regulatory Town Hall and published in the Virginia Register of Regulations by the Joint Commission on Administrative Rules to advise agencies of their obligations under the bill.

6. Budget Amendment Necessary: Yes.

7. Fiscal Impact Estimates:

7a. Expenditure Impact:

| <i>Fiscal Year</i> | <i>Dollars</i> | <i>Positions</i> | <i>Fund</i> |
|--------------------|----------------|------------------|-------------|
| 2017 | | | |
| 2018 | \$100,000 | 1 | General |
| 2019 | \$100,000 | 1 | General |
| 2020 | \$100,000 | 1 | General |
| 2021 | \$100,000 | 1 | General |
| 2022 | \$100,000 | 1 | General |
| 2023 | \$100,000 | 1 | General |

8. Fiscal Implications: The potential costs for the Joint Commission on Administrative Rules (JCAR) have been assessed by the Division of Legislative Services (DLS) who provides support for staffing and legal services. DLS states that there are approximately 300 to 400 proposed and final regulatory actions each year by state agencies, with each action effecting one or more regulations. These regulatory actions occur continuously throughout the year. If

the intent of this bill is for the JCAR to review (i) each proposed regulation while it is still in the proposed stage (for example, after the agency adopts the proposed regulation but before it adopts the regulation in final form) and (ii) each final regulation during the final adoption process (for example, after the agency adopts the regulation in final form but before the regulation becomes effective), JCAR will be required to meet regularly throughout the year, including during a session of the General Assembly.

The table below shows the number of proposed and final actions published in the Virginia Register of Regulations for the last few years.

| Volume and Issue of the Register | Number of Proposed Regulatory Actions | Number of Final Regulatory Actions | Date of Publication |
|----------------------------------|---------------------------------------|------------------------------------|---|
| Volume 33, Issues 1-11 | 30 | 173 | September 5, 2016 - January 23, 2017 (partial year) |
| Volume 32, Issues 1-26 | 93 | 291 | September 7, 2015 - August 22, 2016 |
| Volume 31, Issues 1-26 | 58 | 232 | September 8, 2014 - August 24, 2015 |
| Volume 30, Issues 1-26 | 81 | 238 | September 9, 2013 - August 25, 2014 |

Based on this history of 300 to 400 regulatory actions per year, the Division of Legislative Services will need one full-time position to implement HB 1871 beginning in FY 2018.

| | | |
|-------------------------|--------------------|-------------|
| | <u>Annual Cost</u> | <u>Fund</u> |
| One full-time position: | \$100,000 | General |

The bill also presents potential costs for agencies with regulations exemptions as they will be required to produce a report every two years. These costs are unknown at this time.

9. Specific Agency or Political Subdivisions Affected: The Division of Legislative Services; State agencies with regulations exemptions.

10. Technical Amendment Necessary: No.

11. Other Comments: This bill is similar to House Bill 1731.