

## Department of Planning and Budget 2007 Fiscal Impact Statement

**1. Bill Number** SB1139

<b>House of Origin</b>	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron** Wagner

**3. Committee** General Laws and Technology

**4. Title** Administrative Process Act.

**5. Summary/Purpose:** This Fiscal Impact Statement reflects the Senate amendments included in the Engrossed version of the Bill.

SB1139 amends the Administrative Process Act as follows: 1) duration of an emergency regulation may be extended by six months if approved by the Governor, 2) changes venue for informal fact finding proceedings and formal hearings to city or county where administrative agency maintains its principal office or as parties may otherwise agree, 3) authorizes agencies using fast track rulemaking process to provide for a public comment period of 30 days (rather than 60) after the publication of the regulation in the Virginia Register 4) reduces the Dept. of Planning & Budget's (DPB) time to provide economic impact analysis of proposed regulatory change made through the fast track process from 45 days to 30 days, 5) clarifies that the agencies must get prior approval to submit a fast-track regulation without having previously published a Notice of Intended Regulatory Action, and 6) authorizes an additional 30 days for DPB to complete economic impact analysis under certain circumstances.

**6. No Fiscal Impact: see Item #8:**

**7. Budget amendment necessary: No**

**8. Fiscal implications:** This Fiscal Impact Statement reflects the Senate amendments included in the Engrossed version of the Bill.

The proposal to change the default venue for informal fact finding proceedings and formal hearings to cities or counties where administrative agencies maintain their principal office or as parties may otherwise agree will likely reduce costs for boards and agencies that promulgate regulations and/or manage regulatory programs, and may moderately increase costs for individuals going before the boards. Currently, board members, staff, and witnesses must often travel to where the individual going before the board is located. Since there are typically several people located at or near the principal office who participate in these proceedings and hearings, there will be typically fewer dollars spent in total on travel if the individual going before the board does the traveling rather than the multiple participants in the proceedings and hearings who are located near the principal office.

Currently DPB performs two separate functions within 45 calendar days when an agency submits proposed regulatory change through the fast track rulemaking process; first DPB evaluates whether the submitted package qualifies for the fast track process; second, if the submitted package qualifies for fast track, DPB conducts its economic impact analysis of the proposed regulatory amendments. This bill reduces DPB's time to provide economic impact analysis of proposed regulatory change made through the fast track process from 45 days to 30 days, but also clarifies that the agency must have its submission approved as fast track prior to submission as fast track. Thus, DPB will have 30 days to conduct the second function mentioned above, i.e., its economic impact analysis of fast track submissions. If DPB were required to perform both functions within 30 days rather than 45 days, additional staff would likely need to be hired. Since this is not the case, no additional staff are required.

**9. Specific agency or political subdivisions affected:** DPB and all agencies that promulgate regulations and/or manage regulatory programs.

**10. Technical amendment necessary:** No.

**11. Other comments:** HB2537 is identical to this bill (SB1139).

**Date:** 02/05/07/LSG

**Document:** G:\FIS\2007\SB1139E.Doc

cc: Secretary of Finance