

Department of Planning and Budget 2016 Fiscal Impact Statement

1. Bill Number: HB898

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

2. Patron: Ransone, M.

3. Committee: General Laws

4. Title: Administrative Process Act; contents of economic impact analysis reports.

5. Summary: Requires the Department of Planning and Budget in preparing an economic impact analysis report to determine the cumulative impact of a proposed regulation, taking into account the impact of any other proposed or final state or federal regulation on the businesses or other entities to which the regulation being analyzed would apply.

6. Budget Amendment Necessary: Yes. See line 8.

7. Fiscal Impact Estimates: Indeterminate, but likely significant.

8. Fiscal Implications: Currently, the Department of Planning and Budget's (DPB's) economic impact analysis reports (EIAs) must be completed within statutory deadlines (30 days or 45 days depending on action type), and contain an analysis of the actions proposed taking into account the impact created by the requirements imposed on the affected businesses and other entities. Under this bill, DPB's EIAs for a proposed regulatory action would need to assess the cumulative impact of regulations on the affected businesses or other entities taking into account: (1) the impact of amendments proposed in a regulatory action, (2) the impact of all other state regulations, (3) the impact of all proposed actions to amend state regulations, (4) the impact of all federal regulations, and (5) the impact of all proposed actions to amend federal regulations.

Given that the number of proposals on DPB's regulatory docket is always changing, and that the length and complexity of these proposals vary greatly, it is difficult to assess the fiscal impact of this bill on DPB and agencies submitting regulatory proposals. Agencies that promulgate regulations would be asked to provide DPB the additional information required by this bill, however, DPB would have the ultimate responsibility for making sure the information is accurate and complete.

Due to the large number of existing regulations, it could take an agency considerable time to become familiar with and report to DPB the substance and impact of all the federal and state regulations that govern an affected business or other entity. An agency may not be familiar with all the regulations that affect a single business or entity, therefore, significant research may be needed to ascertain cumulative impacts. Further, regulations at the state and federal level frequently change so each regulatory action may require new research. Many state

agencies' regulations are affected by federal regulation, e.g., most agencies under the Transportation, Health and Human Resources, and Natural Resources secretariats.

For these reasons, the impact of this legislation on resources or the current review deadlines (30 or 45 days) is unknown at this time; however, it is expected that it could be significant since each EIA will not just relate to the proposed regulation – it will encompass all regulations affecting the regulated entity. This would likely translate into additional staffing needs in DPB and the regulated agencies.

- 9. Specific Agency or Political Subdivisions Affected:** Department of Planning and Budget, state agencies that have regulations that are not exempt from the Administrative Process Act.

- 10. Technical Amendment Necessary:** None.

- 11. Other Comments:** None.

Date: 2/03/16