

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6668

BILL NUMBER: SB 298

NOTE PREPARED: May 5, 2005

BILL AMENDED: Apr 29, 2005

SUBJECT: Administrative Rules Requiring Fiscal Review.

FIRST AUTHOR: Sen. Young R Michael

FIRST SPONSOR: Rep. Hinkle

BILL STATUS: Enrolled

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: *Administrative Rules Requiring Fiscal Review:* This bill makes the following changes to the administrative rulemaking statute requiring an agency to submit a rule with an estimated economic impact greater than \$500,000 to the Legislative Services Agency (LSA) for a fiscal impact statement:

- (1) Requires the agency to consider the rule's annual economic impact after the rule is fully implemented.
- (2) Specifies that the \$500,000 threshold applies to the impact on all regulated persons.
- (3) Requires the agency to submit to LSA a rule meeting the threshold for a fiscal impact statement not later than 50 days before the public hearing on the rule.
- (4) Requires the agency to consider the rule's impact on an entity that already voluntarily complies with the rule.

The bill also makes conforming changes to the statute requiring the Education Roundtable to determine the fiscal impact of certain recommendations it makes.

(The introduced version of this bill was prepared by the Administrative Rules Oversight Committee.)

Effective Date: July 1, 2005.

Explanation of State Expenditures: *Administrative Rules Requiring Fiscal Review:* This bill places additional requirements on executive branch agencies and the Legislative Services Agency on the conduct and reporting of fiscal analyses of proposed administrative rules and Education Roundtable recommendations. Although potentially requiring additional analysis of the impact of proposed rules and recommendations, the

requirements of the bill should be able to be met with existing staff and resources.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: All.

Local Agencies Affected:

Information Sources:

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