

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6631

BILL NUMBER: HB 1280

NOTE PREPARED: Mar 12, 2012

BILL AMENDED: Mar 10, 2012

SUBJECT: Regulatory Matters.

FIRST AUTHOR: Rep. Koch

FIRST SPONSOR: Sen. Hershman

BILL STATUS: Enrolled

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill has the following provisions:

Regulation of Intrastate Commerce: The bill provides that intrastate commerce in Indiana is not subject to the authority of the United States Congress.

Administrative Adjudication Notices: It permits certain administrative adjudication notices to be delivered by electronic mail or another method approved by the Indiana Rules of Trial Procedure.

Continuous Process Improvement: The bill requires the Division of Government Efficiency and Financial Planning in the Office of Management and Budget to advise and assist state agencies and instrumentalities with the implementation of continuous process improvement techniques.

Rulemaking: It provides that an agency may solicit comments from members of the public who are likely to be affected by a rule because they are the subject of the potential rulemaking or are likely to benefit from the potential rulemaking, and it requires that state documents provided to the public must comply with certain document drafting standards.

Video Services Franchise Fees: The bill requires each unit of local government that receives franchise fees paid to the unit from an entity providing video services to submit to the IURC an annual report on the unit's receipt and use of those franchise fees during the calendar year for which the report is submitted.

Pharmacy License Category: This bill consolidates six categories of pharmacy licenses into three categories.

Effective Date: Upon passage; July 1, 2012.

Explanation of State Expenditures: *Continuous Process Improvement:* The bill will have indeterminate fiscal impact on the budget of the Office of Management and Budget. Under current law, among the duties of the Division of Governmental Efficiency and Financial Planning (GEFP) is conducting operational and procedural audits of state government and designing and implementing efficiency projects. The bill requires the GEFP to advise and assist each instrumentality, agency, authority, board, commission, officers of the executive, and body corporate and politic to identify and implement continuous process improvement. [In FY 2012 and FY 2013, the total OMB appropriation is \$980,324 each year.]

Administrative Adjudication Notices: Under the bill, initial determination notices for licenses issued by various state agencies; grant of property or service, bonds, financial guarantees, tax incentives, variances or exemptions from laws; tax due or other liabilities; and determination of status could be served by electronic methods, other methods approved by the Indiana Rules of Trial Procedure, or by United States mail or personal service (as required under current law). To the extent that state agencies utilize electronic methods for the serving of papers, the bill potentially reduces notification costs for certain types of initial determinations. The cost savings will depend on whether a less expensive alternate method is used.

Video Services Franchise Fees: The IURC may have a minimal one-time cost increase to adopt rules to implement the reporting requirement under the bill and ongoing costs to produce an annual report.

Pharmacy License Category: To the extent that the bill will align permits with actual business practices, the Professional Licensing Agency (PLA) may experience some minimal cost savings. Issuing new permits in the new categories is expected to have minimal cost as the PLA already has a policy for permit holders to download and print permits once or pay for printings by the PLA.

Background - Pharmacy License Category: Under current law, there are six types of pharmacy permits. Under the bill, there are to be three categories, with Types I and II corresponding to Categories I and II respectively, and Types III, IV, V, and VI rolling into Category III. Existing permits move to the newly established category, but the expiration date of the permit does not change. Current Type III, IV, and V permit holders would gain the ability to open to the general public without a pharmacist on duty under certain conditions. In addition, the Pharmacy Board may approve a remote or mobile location for Category I, II, or III permits to include telepharmacy, automated dispensing, or delivery of cognitive services.

Explanation of State Revenues: *Regulation of Intrastate Commerce:* The extent to which goods and services that are grown, manufactured, or made in Indiana and are sold, maintained, and retained in Indiana may have components that come from other regional areas is not known, nor is the impact of these components on the determination that a good or service is “Indiana made”. There are no data to determine (1) whether a state determination that a good or service is not subject to regulation under Congress’ constitutional power to regulate commerce among the several states might be in conflict with federal regulations and (2) the nature and extent of potential federal sanctions which might be imposed.

Explanation of Local Expenditures:

Explanation of Local Revenues: *Video Services Franchise Fees:* The bill requires a local unit that receives

a franchise fee to report to the IURC, including the amount of the fees, the account into which the fees were deposited, the purposes for which any fees were received, and any other information the IURC considers appropriate.

State Agencies Affected: State agencies, PLA, IURC, OMB.

Local Agencies Affected: Trial courts, city and town courts.

Information Sources: www.in.gov/pla, Ann Kaiser, Office of Management and Budget, 317-234-2079, Dan Hackler, Director, State Personnel Department, 317-234-3830.

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