

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version: HB 351
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB351CS(STA)-OOG-OMB-3-20-16
Title: ADOPTION OF REGS; LIMITATIONS; VOID REGS
Sponsor: PRUITT
Requester: House Finance

Department: Office of the Governor
Appropriation: Office of Management and Budget
Allocation: Office of Management and Budget
OMB Component Number: 2144

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2017	Included in	Out-Year Cost Estimates					
	Appropriation Requested	Governor's FY2017 Request	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
OPERATING EXPENDITURES	FY 2017	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	
Personal Services	***	***	***	***	***	***	***	***
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	***	***	***	***	***	***	***	***

Fund Source (Operating Only)

None								
Total	***	***	***	***	***	***	***	***

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues								
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Estimated SUPPLEMENTAL (FY2016) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2017) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Updated to reflect changes in the House State Affairs Committee that exempt the Alaska Oil and Gas Conservation Commission and the Regulatory Commission of Alaska from provisions related to amendment of regulations, add additional requirements related to additional cost information under AS 44.62.190(d)(2) -(3) and relate to determination by the lieutenant governor as to the scope of a new regulation.

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Division: <u>Office of Management and Budget</u>	Date: <u>03/20/2016 10:00 AM</u>
Approved By: <u>Pat Pitney, Director</u>	Date: <u>03/20/16</u>
Agency: <u>Office of Management and Budget</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

BILL NO. CSHB 351(STA)

Analysis

This bill would affect all state agencies that adopt regulations under the Administrative Procedure Act (AS 44.62) (APA); under the APA state agencies means a department, office, agency or other organizational unit of the executive branch, but not an agency in the judicial or legislative branches.

For new regulations: The bill would prohibit a state agency from adopting new regulations unless the regulations are the "initial set" of regulations of a newly created board or commission; the agency repeals one or more existing regulations and the cost of the new regulations are less than or equal to the cost of the repealed regulations; the regulations are emergency regulations; the regulations implement a state or federal law enacted, amended or repealed within 120 days of the adoption of the regulation; the estimated costs of the new regulations under AS 44.62.190 (d)(2) and (3) are less than or equal to zero; or, the lieutenant governor determines that the regulations are narrow, tailored, reasonable, and necessary.

For amendments to existing regulations: The bill would prohibit an agency from amending existing regulations unless the estimated net cost of the regulations (to the state agency, to private persons, to other state agencies and to municipalities) is less than or equal to zero. This would not apply to regulations of the Department of Commerce, Community, and Economic Development or of a board or commission to amend an application fee, examination fee, license fee, registration fee, permit fee, investigation fee, or other fee for an occupation licensed or regulated under AS 08. The Regulatory Commission of Alaska and the Alaska Oil and Gas Conservation Commission are explicitly exempted from the provisions related to amendments to regulations.

The bill would prohibit the lieutenant governor from accepting for filing any regulations that do not comply with proposed AS 44.62.020, although the lieutenant governor could extend the time for adopting a regulation implementing a new or amended law beyond the proposed four month timeline in the bill.

There are some uncertainties to the bill, such as whether the cost determinations are annual, forward-looking for all time, or one-time. The role of the lieutenant governor's potential determination is uncertain and conceivably in conflict with existing statute AS 44.62.030.

More information is needed, but the bill will fiscally affect all state agencies because each regulations project will require initial review to determine whether the regulations meet the criteria of the bill. Much of the analysis will involve cost determinations (including costs to municipalities) of existing regulations to establish that the net cost of the new or amended regulations are less than or equal to a repealed regulation. Agencies that adopt regulations under the APA that may be particularly affected include the Department of Natural Resources, the Department of Environmental Conservation, the Department of Health and Social Services, the Department of Commerce, Community, and Economic Development, the Department of Transportation and Public Facilities, and the Department of Fish and Game. Also, for new regulations adopted by a board or commission, costs may include additional meetings and, depending upon the nature of the proposed regulations, additional travel to meetings should the board or commission need to meet to hold hearings or vote within the 120 day timeframe proposed in the bill.

This legislation will have varying fiscal impacts on state agencies. Agencies that regularly see a high volume of proposals (regulations) will see a great degree of fiscal impact by the legislation and will require additional positions and resources in order to comply with the bill. The Department of Law may also see an increased workload to assist agencies in determining if they may go forward with regulations projects under the bill.

The fiscal impact to the state cannot be quantified.