

# Fiscal Note

State of Alaska  
2014 Legislative Session

Bill Version: CSHB 140(FIN)  
Fiscal Note Number: 2  
(H) Publish Date: 3/25/14

Identifier: HB140CS-OOG-OMB-3-10-2014  
Title: NOTICE FOR REGULATION ADOPTION  
Sponsor: REINBOLD  
Requester: House Finance

Department: Various (for Fiscal Notes only)  
Appropriation: Various  
Allocation: Executive Branch  
OMB Component Number: 0

## Expenditures/Revenues

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

	FY2015	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2015 Request	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
<b>OPERATING EXPENDITURES</b>	<b>FY 2015</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
Personal Services	***		***	***	***	***	***
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	***	<b>0.0</b>	***	***	***	***	***

## Fund Source (Operating Only)

None							
<b>Total</b>	***	<b>0.0</b>	***	***	***	***	***

## Positions

Full-time							
Part-time							
Temporary							

<b>Change in Revenues</b>							
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**Estimated SUPPLEMENTAL (FY2014) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2015) 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? Unknown  
If yes, by what date are the regulations to be adopted, amended or repealed?

## Why this fiscal note differs from previous version:

Updated for 2014 Legislative Session. The CS allows state agencies to provide the annual estimated cost based on good faith effort and on information available to them at the time, and to provide the cost estimate in aggregate.

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Division:	<u>Office of Management and Budget</u>	Date:	<u>03/10/2014 03:30 PM</u>
Approved By:	<u>Karen Rehfeld, Director</u>	Date:	<u>03/10/14</u>
Agency:	<u>Office of Management and Budget</u>		

## FISCAL NOTE ANALYSIS #2

STATE OF ALASKA  
2014 LEGISLATIVE SESSION

BILL NO. CSHB 140(FIN)

### Analysis

CSHB 140 amends AS 44.62.190. Notice of Proposed Action.

The bill proposes changes to the statute that governs the requirements pertaining to the adoption, amendment, or repeal of a state regulation. As part of the information included with certain notices of proposed regulations, state agencies would need to include, if applicable, an identification of the law, order, decision, or other action of the federal government or a federal court that requires the proposed action. This language is not expected to cause a fiscal impact for state agencies.

The bill would further require that a state agency provide the estimated annual cost, based on a good faith effort to estimate the costs in the aggregate for each of the following categories using the information available to the state agency, to:

- a) private persons to comply with the proposed action;
- b) other state agencies to comply with the proposed action; and
- c) municipalities to comply with the proposed action.

This legislation will have varying impacts on state agencies. Agencies with a low volume of regulation work may have little cost impact. Agencies that regularly see a high volume of proposals (regulations) will be impacted to a greater degree by the legislation. For example, The Board of Fish and the Board of Game typically see more than 400 proposals annually that could result in new regulations, or a change to existing regulations, or the repeal of regulations. The Regulatory Commission of Alaska could also be significantly impacted by this legislation based on the amount of regulations that impact them annually.

Allowing the cost impact to be provided in the aggregate may lessen the burden on state agencies. However, for agencies to provide a good faith estimate, they would still need to consider the estimated annual impact to private persons, other state agencies, and municipalities. The cost estimate would be based on information available to the agency, but the bill does not indicate what state agency efforts would meet a standard of "good faith . . . using the information available to the state agency."

If CSHB 140(JUD) were enacted, fiscal notes prepared for any future legislation that directed agencies to adopt or change regulations would need to account for the cost of estimating the future regulations' cost impact to private persons, other state agencies, and municipalities. Depending on the legislation, this may require agencies to dedicate additional staff resources to ascertaining economic impacts or to contract for services that specialize in ascertaining economic impacts for these entities. The amount of those contracts might vary with the size and sophistication of the state agency involved, and also might vary according to what efforts would meet a standard of "good faith . . . using the information available to the state agency."

The cost for state agencies to implement the requirements in the legislation is indeterminate.