

HB

216

<TARGET><BILL>HB 216</BILL><SUBJECT>HB
216</SUBJECT><COMM>SSTA27</COMM></TARGET>

SENATE COMMITTEE REPORT

DATE: 3/5/12

FURTHER: Judiciary

DATE TURNED IN TO OFFICE: 4/10/12

State Affairs Committee considered CS FOR HOUSE BILL NO. 216(FIN)

HB 216-REGULATIONS: INFORMATIVE SUMMARY/BILLS

"An Act relating to fiscal notes for bills directing or resulting in the adoption, amendment, or repeal of regulations, and to the notice required for the proposed adoption, amendment, or repeal of a regulation; and providing for an effective date."

and recommends:

- be replaced with SCS HB 216 (STA) Same Title Technical Title Change New Title/SCR No. _____
- adopt previous SCS _____ SCS/CS- Forthcoming Same Title Technical Title Change New Title/SCR No. _____
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

Dept Abbr.	
ADM	LEG
CED	LAW
COR	LWF
CRT	MVA
EED	DNR
DEC	DPS
DFG	REV
GOV	DOT
DHS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
GOV			✓	2

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	Do PASS	Do NOT PASS	NO REC	AMEND
<i>Albert Koolan</i>	Koolan	✓			
<i>Giessel</i>	Giessel	✓			
CHAIR: <i>[Signature]</i>	Wielechowski	✓			

ALASKA STATE LEGISLATURE

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Session:
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Juneau, AK 99801-1182
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REPRESENTATIVE PEGGY WILSON
HOUSE DISTRICT 2

MEMORANDUM

Date: March 5, 2012

To: Senator Bill Wielechowski

From: Representative Peggy Wilson PW

RE: **Hearing Request for HB 216 "Regulations: Informative Summary/Bills"**

I respectfully request a hearing in the Senate State Affairs Committee for HB 216, "An Act relating to fiscal notes for bills directing or resulting in the adoption, amendment, or repeal of regulations, and to the notice required for the proposed adoption, amendment, or repeal of a regulation; and providing for an effective date

Attached are:

- HB 216 version S
- HB 216 Sponsor Statement
- HB 216 Fiscal Note
- HB 216 Support letter from AML

The contact for HB 216 is Sheila Finkenbinder, 465-6887.

Thank you for considering this important piece of legislation.

**SENATE CS FOR CS FOR HOUSE BILL NO. 216(STA)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SEVENTH LEGISLATURE - SECOND SESSION**

BY THE SENATE STATE AFFAIRS COMMITTEE

**Offered:
Referred:**

Sponsor(s): REPRESENTATIVES PEGGY WILSON, Lynn, Costello, Kawasaki, Kerttula, Johnson

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to fiscal notes for bills directing or resulting in the adoption,**
2 **amendment, or repeal of regulations, and to the notice required for the proposed**
3 **adoption, amendment, or repeal of a regulation; and providing for an effective date."**

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 *** Section 1.** AS 24.08.035 is amended by adding new subsections to read:

6 (f) In addition to the other requirements of this section, if a bill directs an
7 agency in the executive branch of state government to adopt, amend, or repeal a
8 regulation or will result in an agency's adopting, amending, or repealing a regulation,
9 the department affected shall include in the fiscal note for the bill a specific time by
10 which the agency shall adopt, amend, or repeal the regulation. If the agency is not able
11 to meet the deadline set in the fiscal note, the agency shall

12 (1) set a new deadline; and

13 (2) report to the Administrative Regulation Review Committee the
14 new deadline and the reasons for being unable to meet the deadline set in the fiscal

1 note.

2 (g) In (f) of this section, "agency" includes the Alaska Housing Finance
3 Corporation, the Alaska Industrial Development and Export Authority, the Alaska
4 Energy Authority, the Alaska Public Offices Commission, and the Alaska Oil and Gas
5 Conservation Commission, but does not include other boards or commissions.

6 * **Sec. 2.** AS 44.62.200 is amended by adding a new subsection to read:

7 (d) When a state agency, other than the Regulatory Commission of Alaska, the
8 Board of Fisheries, or the Board of Game, posts, furnishes, or otherwise provides a
9 notice of the proposed adoption, amendment, or repeal of a regulation under
10 AS 44.62.190, a brief description of the changes made by the proposed adoption,
11 amendment, or repeal must accompany the notice. However, if, under
12 AS 44.62.190(a), the notice is published in a newspaper or trade or industry
13 publication or is broadcast, this subsection does not require that the brief description
14 otherwise required by this subsection accompany the publication or the broadcast. To
15 the extent practicable, the brief description shall be written in clear, easily readable
16 language that a person without a legal background is able to understand.
17 Notwithstanding AS 44.62.300, an action may not be brought for failure of the brief
18 description to comply with the requirements of this subsection relating to the
19 description of the changes or its clarity and readability.

20 * **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to
21 read:

22 APPLICABILITY. (a) AS 24.08.035(f) and (g), enacted by sec. 1 of this Act, apply to
23 bills that are filed on or after the effective date of this Act.

24 (b) AS 44.62.200(d), enacted by sec. 2 of this Act, applies to the proposed adoption,
25 amendment, or repeal of a regulation on or after the effective date of this Act.

26 * **Sec. 4.** This Act takes effect July 1, 2012.

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REPRESENTATIVE PEGGY WILSON
HOUSE DISTRICT 2

SPONSOR STATEMENT House Bill 216

“An Act relating to fiscal notes for bills directing or resulting in the adoption, amendment, or repeal of regulations, and to the notice required for the proposed adoption, amendment, or repeal of a regulation; and providing for an effective date.”

HB 216 will accomplish two goals relating to changes to state regulations; increasing the speed with which regulations are written, and describing in plain, easy-to-understand language all regulations that are adopted, amended or repealed.

Legislators and the public have often been frustrated by the fact that months, or even years, sometimes pass between the time that a bill is passed by the legislature and the time the regulation is implemented. The result is; Alaska residents, businesses and legislators are confused about what the change means. As an example: as we were looking at the governor’s House Bill 110, on oil taxes, we didn’t have proof of what regulations were currently being enforced because the ACES regulations hadn’t even been written – three years after we passed the legislation. The same confusion can impact individuals who are unclear about when, or if, new regulations concerning their business or recreational activities take effect. HB 216 states that any bill requiring creation or modification of any regulation must include a regulation completion deadline.

The other problem addressed by this bill is the confusion and lack of understanding of many proposed regulation changes or new additions. This confusion is caused by the legalese used to describe proposed regulations. This language, while accurately and legally describing proposed regulations, is difficult to understand by the average individual. HB 216 will require that all proposed regulation changes include descriptions, in plain English, of what the original regulation does and what the proposed change will do.

Passage of this legislation will encourage public participation in the regulation review process, as people find it easier to understand what the regulations mean to them. It will also help speed passed legislation to implementation when regulations are completed in a set, scheduled timeframe.

Based on input from committee members and the Department of Law, several amendments were passed in the State Affairs and Judiciary committees that help to clarify the language used in the bill. No substantive changes have been made to the original intent of the bill.

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version CSHB 216
 Fiscal Note Number _____
 () Publish Date _____

Identifier (file name) HB216CS(JUD)-GOV-OMB-2-17-2012 Dept. Affected All
 Title Deadlines in bills for the Adoption of Regulations Appropriation _____
 Allocation _____
 Sponsor P. Wilson
 Requester House State Affairs OMB Component Number _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates					
			FY13	FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants, Benefits								
Miscellaneous								
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE		(Thousands of Dollars)						
1002	Federal Receipts							
1003	GF Match							
1004	GF							
1005	GF/Prgm (DGF)							
1037	GF/MH (UGF)							
1178	temp code (UGF)							
TOTAL		0.0	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS								
Full-time								
Part-time								
Temporary								

CHANGE IN REVENUES								

Estimated **SUPPLEMENTAL (FY12) operating costs** _____ (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated **CAPITAL (FY13) costs** _____ (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Updated to reflect the change in the CS. Fiscal note is now a zero.

Prepared by Arnold Liebelt, Policy Analyst
 Division Office of Management and Budget
 Approved by Karen Rehfeld, Director
Office of Management and Budget

Phone 907-465-4676
 Date/Time 2/17/12 5:30 PM
 Date 2/17/2012

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. CSHB 216

Analysis

"An Act relating to deadlines in bills directing the adoption of regulations and to the informative summary required for the proposed adoption, amendment, or repeal of a regulation."

If a proposed bill will require regulations or result in a change to existing regulations, Section 1 would require agencies to state in the fiscal note for the bill a time by which the agency is to adopt, amend, or repeal the regulation. If the agency does not meet the deadline, it would set a new deadline and report to the Administrative Regulation Review Committee the new deadline and the reasons for not meeting the deadline that was established in the fiscal note.

Section 2 would require for a notice, posted on the Online Public Notice site or furnished electronically by a state agency, proposing adoption, amendment, or repeal of existing regulations, that a brief description accompany the notice and be written in clear, easily readable language that a person without a legal background is able to understand. The Regulatory Commission of Alaska, the Board of Fisheries, and the Board of Game would be exempt from Section 2.

No fiscal impact is expected as a result of Section 1. The fiscal impact resulting from Section 2 for future legislation is expected to be minimal. If the cost cannot be absorbed within an agency's budget, agencies will reflect this in the note for future legislation.



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January 30, 2012

Representative Peggy Wilson
State Capitol
Room 408
Juneau, Alaska 99801

Dear Representative Wilson,

I am writing to express the Alaska Municipal League's support for HB216, particularly the amendments to Section 2, Chapter 3 of AS 44.62.045.

It makes perfect sense to require the agencies to provide an informative summary of proposed regulations which describe how the amendments will change existing regulation "in clear, easily readable language that a person without a legal background is able to understand."

AML was forced to hire legal counsel (at a cost of over \$8,000) to analyze sections of the new regulations proposed by APOC dealing with comprehensive revisions to Public Official and Legislative Finance Disclosure and Campaign Disclosure. It is AML's job to keep local elected officials and their municipal employees current on legislation, regulations and statutes that affect their local governments. When the agencies are unwilling to help us understand these regulations, we must do what we can to obtain the information.

In late 2010, the Alaska Public Offices Commission (APOC) published proposed revisions for public review and comment. AML requested from APOC, some explanation of what changes were encompassed in the new proposed regulations, as the document was approximately 125 pages long. APOC refused to provide any detailed explanation of the changes; in fact, the staff told us they had been instructed not to answer any questions about the proposed regulations. Without clarification of the new regulations, it makes it much more difficult to comment. We then hired legal counsel to perform a side-by-side examination of the old regulations and the new regulations. Only after enlisting the support from the Governor's office and many legislators were we able to secure additional information from APOC.

Most municipalities have numerous boards and commissions made up of community volunteers who are subject to APOC financial disclosure regulations. These private citizens are not equipped by training, nor do they have the time to understand and translate new regulations without the help from APOC. A plain, clear, easily readable explanation of the changes would have helped local officials understand and comment

on the new regulations. It appears to me that APOC, while drafting changes, could have done computerized "track" changes as the drafting process was taking place.

The opportunity for public comment on new regulations will not result in any substantive input if the adopting agency does not assist the public in understanding new regulatory changes. It also is quite ironic that the agency tasked with keeping government more transparent refuses to help the public understand proposed regulations.

It should not be difficult for an agency to comply with HB216, as they presumably understand what changes they are proposing and how they will affect the public. It is unreasonable to expect members of the public to read, translate, cross-reference and understand new regulation without some explanation from the authors.

Again, AML supports the adoption of HB216, as it will assist elected and volunteer municipal officials better understand how they are regulated by state agencies.

Thank you for the opportunity to comment.

Sincerely,

Kathie Wasserman

Kathie Wasserman
Executive Director

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REPRESENTATIVE PEGGY WILSON
HOUSE DISTRICT 2

MEMORANDUM

Date: February 14, 2012

To: Representative Bill Stoltze, Co-Chair, Finance Committee
Representative Bill Thomas, Co-Chair, Finance Committee

From: Representative Peggy Wilson

RE: **CHANGES to HB 216 "Regulations: Informative Summary/Bills"**

Since the original version of HB 216 was drafted, it has had several amendments and language changes, but the basic premise of the bill has not changed.

The State Affairs committee passed two amendments that clarified the informative summary language.

The Judicial committee met several times and finessed additional changes that helped to make this bill very clear. We also worked with the Department of Law to incorporate some of their suggestions.

A summary of the changes made since the bill was introduced include:

- The deadline for adopting changes will now be stated in the fiscal note, rather than in the bill itself. This change necessitated a change in the title.
- Language stating that the agency, and not the legislature, sets the deadline - is clarified.
- The AHFC, AIDEA, AEA, APOC, and AOGCC are expected to comply with the requirements of Section 1, but all other state boards and commissions are exempted.
- Agencies must now report to the Legislative Regulatory Review committee if a deadline is not met; and set a new deadline for adoption of the regulation.
- The brief descriptive summaries will accompany **new** regulations, as well as changes and repeals of regulations.
- Changes in Section 2 clarify that the 'posted notice' should not be confused with the formal 'notice'.
- Language was changed to target the brief descriptive summaries to online and email notification, rather than to print media.
- Protection from legal action is provided to agencies, should the clarity or readability of the brief descriptive summary be misinterpreted or questioned.
- An effective date was added.

The contact for HB 216 is Sheila Finkenbinder, 465-6887.