

HB

351

<TARGET><BILL>HB 351</BILL><SUBJECT>HB
351</SUBJECT><COMM>HFIN29</COMM></TARGET>

Alaska State Legislature

Session:
State Capitol Rm. 421
Juneau, AK 99801
Phone: (907) 465-3438
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Interim:
716 W 4th Avenue
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Representative Lance Pruitt
House Finance Member

CSHB 351 Version N Sectional Analysis

Section 1. (b) Amends AS 44.62.020, the authority to adopt, administer, or enforce regulations. A new section is added that states a state agency and the lieutenant governor may not adopt new regulations unless:

- they are part of the initial regulations
- they repeal one or more existing regulations that are equal to or lesser than the proposed new regulation
- they are adopted as an emergency regulation
- they are implemented following a state or federal law being enacted
- the cost is less than or equal to zero
- The lieutenant governor determines the regulation is narrowly tailored, reasonable, and necessary

(c) Extends this rule to amending existing regulations with the following exceptions:

- If the estimated initial or annual cost of the set of regulations is less than or equal to zero
- If the regulation is amending certain fees for licensed occupations under AS 08

(d) Alaska Oil and Gas Conservation Commission and the Regulatory Commission of Alaska are exempt from the requirements of (c) of this section

Section 2. Adds a new subsection to AS 44.62.040 that reads the Lt. Governor may not accept regulations if an existing regulation is not repealed. The Lt. Governor can extend the time for adopting a regulation for new and amended laws.

Section 3. It applies to regulations adopted after the effective date of this bill.

Section 4. The effective date clause.

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Changes from HB 351 Version W to CSHB351(STA) Version N

Section 1: The following changes were made to section 1:

1. Added lieutenant governor in addition to state agencies
2. Added the exemption for emergency regulations
3. Added an exemption for regulations that implement a state or federal law enacted, amended, or repealed within 120 days of the adoption of the regulation, unless that time is extended by the lieutenant governor.
4. Added if the new regulation's estimated cost is zero or less than zero
5. Added the lieutenant governor determines the regulation is narrowly tailored, reasonable, and necessary
6. Added language to allow the lieutenant governor to not accept amendments to existing regulations unless the initial and annual costs according to AS44.62.190(d)(2) and (3) are equal to or less than zero.
7. Added an exemption for amending fees
8. Exempted the Alaska Oil and Gas Conservation Commission and the Regulatory Commission of Alaska from the requirements of (c) of this section

Section 2: The following changes were made to section 2:

1. Added the lieutenant governor may not accept regulations that do not comply with the section 1.
2. Added the allowance for the lieutenant governor to extend the time for adopting a regulation implementing a new or amended law.

Section 3: The following changes were made to section 3:

1. Clarifies this legislation is not retroactive

Section 4: No Changes

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 Appropriation Requested	Included in Governor's FY2017 Request	Out-Year Cost Estimates				
			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.

Prepared By: Craig Kahklen, Policy Analyst
Division: Office of Management and Budget
Approved By: Pat Pitney, Director
Agency: Office of Management and Budget

Phone: (907)465-3559
Date: 03/20/2016 10:00 AM
Date: 03/20/16

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

BILL NO. HB 351

Analysis

This fiscal note is being prepared by the Office of Management and Budget because the bill affects all agencies.

This bill prohibits boards and commissions from adopting new regulations unless the new regulation is part of its initial set of regulations.

The bill also prohibits State agencies from adopting a new regulation unless the agency repeals an existing regulation and the cost of the new regulation is less or equal to the cost of the repealed regulation.

The fiscal impact of this legislation is indeterminate since is not known how many new regulations will need to be adopted and how much effort will need to go into finding regulations to repeal in order to adopt new regulations.



March 10, 2016

The Honorable Representative Bob Lynn
House State Affairs Committee Chairman
Alaska House of Representatives
Alaska State Capitol, Room 108
Juneau AK, 99801

Re: Support of HB 351 – Adoption of Regs; Limitations; Void Regs

Representative Lynn:

The Alaska Chamber supports the current version of House Bill 351, an act relating to adoption of regulations.

The Chamber is an organization dedicated to improving the business environment in Alaska. The Chamber represents hundreds of businesses from Ketchikan to Barrow that share a common goal – to make Alaska a viable and competitive place to do business.

The Alaska Chamber supports public regulation and regulatory reforms that encourage responsible development of Alaska's communities and natural resources. Topping both the Chamber's state and federal lists of policy positions is an entire category of initiatives advocating for improved regulatory efficiency. The Chamber believes that reasonable, navigable regulatory processes are important to protect our citizens, communities and employer companies. The problem comes when public agencies overregulate. Regulatory enforcement and compliance can prove to be very costly, discouraging entrepreneurship and responsible resource development in our state.

The Alaska Chamber urges you to pass House Bill 351 from the House State Affairs Committee.

Sincerely,

A handwritten signature in black ink, appearing to read 'Curtis W. Thayer'.

Curtis W. Thayer
President and CEO

Thank you!

CC: Representative Lance Pruitt
Representative Wes Keller
Representative Louise Stutes
Representative Liz Vazquez
Representative Sam Kito
Representative Jonathan Kreiss-Tomkins

NFIB

The Voice of Small Business.®

ALASKA

March 2, 2016

The Honorable Lance Pruitt
State Capitol Building
Juneau, Alaska 99801-1182

RE: House Bill 351

Dear Representative Pruitt:

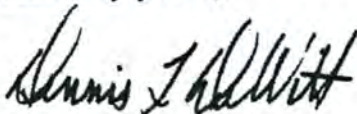
On behalf of the National Federation of Independent Business/Alaska, I wish to respectfully share our support for House Bill 351. The National Federation of Independent Business is the largest small-business advocacy group in Alaska.

House Bill 351 will help reduce the time and cost small businesses expend reacting to the ever-increasing number of regulations. Changing the common practice of expanding the regulations controlling Alaskans to a practice of evaluating the cost and limitation of regulatory agencies is laudable.

Unfortunately, far too many regulations are promulgated to extend the scope and power of regulatory agencies. They are proposed by individuals who never need to deal with the regulations from the perspective of small businesses competing in an increasingly challenging market place.

We applaud your addressing this growing problem for Alaska's small businesses.

Sincerely yours,



Dennis L. DeWitt
Alaska State Director

Cc: NFIB/AK Leadership Council
Bob Lynn, Chair, House State Affairs Committee

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Representative Lance Pruitt
House Finance Member

Sponsor Statement

CSHB 351(STA) Version N

"An Act relating to adoption of regulations; and providing for an effective date."

Alaska has one of the strictest and most costly regulatory environments in the country. Over burdensome regulations can strangle small business and the potential for economic growth while increasing the cost of government.

Passage of CSHB 351(STA) seeks to limit the introduction of new regulations by state agencies by requiring them to repeal one or more existing regulations after their creation. The cost of the new regulation must be less than or equal to the cost of the repealed regulation or regulations, as determined by the commissioner of the department or the commission or board adopting the regulation.

Excessive regulation can limit individual effort and discourage the private sector from expansion. In government the mistake is often made to judge regulations by their intentions rather than their results. This legislation is one simple step forward in creating an Alaskan economy friendlier to job growth.

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version:	CSHB 351(STA)
Fiscal Note Number:	1
(H) Publish Date:	3/18/2016

Identifier: HB351-OOG-OMB-3-14-16
 Title: ADOPTION OF REGS; LIMITATIONS; VOID REGS
 Sponsor: PRUITT
 Requester: House State Affairs

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

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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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Why this fiscal note differs from previous version:

Not applicable, initial version

Prepared By:	Craig Kahklen, Policy Analyst	Phone:	(907)465-3559
Division:	Office of Management and Budget	Date:	03/14/2016 09:40 AM
Approved By:	Pat Pitney, Director	Date:	03/14/16
Agency:	Office of Management and Budget		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

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