



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 189** HLS 18RS 279
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action: **W/ SEN FLOOR AMD**
 Proposed Amd.:
 Sub. Bill For.:

Date: May 13, 2018	4:12 PM	Author: WRIGHT
Dept./Agy.: Statewide		Analyst: Alan M. Boxberger
Subject: Provides for agency review of public comment of rules		

ADMINISTRATIVE PROCEDURE EGF INCREASE GF EX See Note Page 1 of 2

Provides for processes, including agency review and public comment, to identify agency rules that may be contrary to law, outdated, unnecessary, overly complex, or burdensome

Proposed law requires each agency, at least once prior to January 1, 2020, and at least once during every six-year period thereafter, to conduct a public hearing for the purpose of allowing any interested person the opportunity to comment on any rule of the agency which the person believes is contrary to law, outdated, unnecessary, overly complex, or burdensome; provides for requirements of notification; requires consideration of comments and testimony; allows for agency response; provides for reporting requirements to corresponding legislative standing committees; and provides for an effective date of January 1, 2019.

EXPENDITURES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						
REVENUES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law will result in an indeterminable increase in expenditures across multiple means of finance (reported as SGF in this fiscal note for simplicity) for certain state entities with promulgated rules contained within the Louisiana Administrative Code (LAC). State entities that meet regularly for rule promulgation hearings may be able to mitigate these costs by combining the requirements of proposed law within normally occurring hearings.

Provision for public comment

Proposed law will require each state entity with rules in the LAC to hold a meeting allowing for public comment at least once prior to January 1, 2020, and at least once during every six-year period thereafter. Multiple departments and agencies report that proposed law would at a minimum likely result in a workload increase requiring additional overtime for existing staff to review rules and respond to public comment on a recurring basis. Additionally, hosting public meetings requires agencies to incur expenditures such as, but not limited to: advertising, venue rental/hosting, court reporter fees, interpreter services, audio/video streaming, and staff or board member travel and per diem. The LFO cannot predict the number of persons that may attend public hearings to comment on rules. In some cases, agencies may be required to acquire supplemental staff and/or professional services depending on the number and/or complexity of comments requiring responses. To the extent that state entities are unable to absorb additional workload requirements as required in proposed law, additional resources (assumed to be SGF in this note) may be necessary for overtime or staff supplementation. *To the extent that state entities are able to schedule these public hearings to coincide with naturally occurring public rule promulgation hearings, these costs may be mitigated.*

Legislative oversight committees

Proposed law may result in an indeterminable increase in SGF expenditures by the legislature should public comments or agency reports subsequent to rule review result in additional meetings of corresponding legislative oversight committees beyond the current baseline.

SEE CONTINUED EXPENDITURE EXPLANATION ON PAGE 2

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

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Staff Director

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CONTINUED EXPLANATION from page one:

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EXPENDITURE EXPLANATION CONTINUED FROM PAGE 1

Official meetings of legislative committees incur legislative per diem and travel reimbursements. The legislative per diem rate is \$164 and the cost of related benefits (7.65% includes FICA 6.2% and Medicare 1.45%) is approximately \$13 for a total cost of approximately \$177 per day per member. Travel reimbursement is paid at approximately \$0.545 per mile.

The impact on expenditures is indeterminable and will depend upon mileage of the relevant committee members, the number of meeting days held, and the actions taken by the respective committees. To the extent that agency personnel traveling to legislative meetings request travel allowance (mileage only), there will be additional indeterminable expenditure increases for state entities. *To the extent that the requirements of proposed law can be absorbed within existing, scheduled meetings of oversight committees, these costs may be mitigated.*

Current right for the public to request rule reviews

For informational purposes, the Louisiana Revised Statutes currently contain the following provision:

R.S. 49:953 Procedure for adoption of rules

A. – B. ...

C. *An interested person may petition an agency requesting the adoption, amendment, or repeal of a rule. Each agency shall prescribe by rule the form for petitions and the procedure for their submission, considerations, and disposition. Within ninety days after submission of a petition, the agency shall either deny the petition in writing, stating reasons for the denial, or shall initiate rule-making proceedings in accordance with this Chapter.*

Proposed law will require a description of the procedure for submitting petitions in accordance with this paragraph to be posted to the website of each agency with an appropriated operating budget of \$5 M or more. This provision will not result in a material expenditure.

Senate Dual Referral Rules

13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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