

**COMMONWEALTH OF KENTUCKY STATE FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2017 REGULAR SESSION**

MEASURE

2017 BR NUMBER **1720**

HOUSE BILL NUMBER **332**

RESOLUTION NUMBER _____

AMENDMENT NUMBER _____

SUBJECT/TITLE **An ACT relating to administrative regulations.**

SPONSOR **Representative Wuchner**

NOTE SUMMARY

FISCAL ANALYSIS: IMPACT NO IMPACT INDETERMINABLE IMPACT

LEVEL(S) OF IMPACT: STATE LOCAL FEDERAL

BUDGET UNIT(S) IMPACT: **All state agencies that promulgate administrative regulations**

FUND(S) IMPACT: GENERAL ROAD FEDERAL RESTRICTED AGENCY _____ OTHER

FISCAL SUMMARY

FISCAL ESTIMATES	2016-2017	2017-2018	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES			
EXPENDITURES		Indeterminable	Indeterminable
NET EFFECT		(Indeterminable)	(Indeterminable)

() indicates a decrease/negative

MEASURE'S PURPOSE: The measure delays the effective date of ordinary regulations with an economic impact greater than \$500,000 until the General Assembly enacts legislation ratifying the administrative regulation. The measure also requires bodies that promulgate administrative regulations to determine the economic impact on regulated entities, as well as state and local government.

PROVISIONS/MECHANICS: Section 1 creates a new section of KRS Chapter 13A to delay the effective date of ordinary regulations with an economic impact greater than \$500,000 until the effective date of legislation ratifying the administrative regulation.

Section 2 amends KRS 13A.010 to define "major economic impact" as an overall annual economic impact from an administrative regulation of \$500,000 or more on state and local government and regulated entities as determined by the promulgating administrative body.

Section 3 amends KRS 13A.250 to require the fiscal note to include a cost analysis of the administrative regulation's effect on regulated entities and a determination by the promulgating administrative body as to the overall economic impact of the administrative regulation.

Sections 4 and 5 amend KRS 13A.330 and 13A.331 to conform.

Section 6 directs the short title of the Act to be the Kentucky REINS Act, or the Kentucky Regulations from the Executive in Need of Scrutiny Act.

FISCAL EXPLANATION: All administrative bodies that promulgate administrative regulations are currently required to include a cost analysis that includes the impact to the Commonwealth of Kentucky, its affected agencies, and affected local governments. The measure expands the cost analysis requirement to also include the impact to the regulated entities affected by the administrative regulation. The new requirement may result in additional staff time and analysis. This will vary by agency and by regulation.

DATA SOURCE(S): _____

PREPARER: Jenny Bannister **NOTE NUMBER:** 97 **REVIEW:** JRS **DATE:** 2/22/2017