

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

MEASURE

2017 BR NUMBER **0511**

HOUSE BILL NUMBER **395**

RESOLUTION NUMBER _____

AMENDMENT NUMBER _____

SUBJECT/TITLE **An ACT relating to the reorganization of the Finance and Administration Cabinet.**

SPONSOR **Representative Daniel Elliott**

NOTE SUMMARY

FISCAL ANALYSIS: IMPACT NO IMPACT INDETERMINABLE IMPACT

LEVEL(S) OF IMPACT: STATE LOCAL FEDERAL

BUDGET UNIT(S) IMPACT:

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

FISCAL SUMMARY

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

() indicates a decrease/negative

MEASURE'S PURPOSE: This measure codifies the existing Office of Legislative and Intergovernmental Affairs and Executive Order (EO) 2016-602 dated August 12, 2016, relating to the establishment and reorganization of units within the Department of Revenue (DOR) and the Office of the Secretary of the Finance and Administration Cabinet.

PROVISIONS/MECHANICS: Sections 1 and 2 create new sections of KRS Chapter 42 to establish the Office of the Inspector General within the Office of the Secretary of the Finance and Administration Cabinet, the Division of Special Investigations within the Office of the Inspector General (transfer from the Office of the Commissioner of DOR), and the existing Office of Legislative and Intergovernmental Affairs and to specify the Offices' responsibilities.

Sections 3 and 4 amend KRS 12.020 and KRS 42.0145 to include the Offices of the Secretary, Inspector General, and Legislative and Intergovernmental Affairs and delete references to the Office of Public Information.

Section 5 amends KRS 131.020 to delete references to the Division of Special Investigations within the Office of the Commissioner and the Division of Protest Resolution within the Office of Processing and Enforcement, establish the Division of Protest Resolution and new Office of Tax Policy and Regulation (both within the Office of the Commissioner) and specify the Offices' responsibilities.

Section 6 repeals KRS 42.0173, which references the Office of Public Information.

Section 7 confirms EO 2016-602.

FISCAL EXPLANATION: If the existing Office of Legislative and Intergovernmental Affairs and EO 2016-602 is not codified, then the Governor may issue another EO with an effective date within 90 days after sine die to retain the Finance and Administration Cabinet's current organizational arrangement. As this measure conforms to the Cabinet's existing structure, there is no fiscal impact.

DATA SOURCE(S): _____

PREPARER: Katherine L. Halloran **NOTE NUMBER:** 86 **REVIEW:** JRS **DATE:** 2/27/2017