

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 189** HLS 18RS 279  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> March 20, 2018 3:35 PM	<b>Author:</b> WRIGHT
<b>Dept./Agy.:</b> Statewide	<b>Analyst:</b> Alan M. Boxberger
<b>Subject:</b> Provides for agency review of public comment of rules	

ADMINISTRATIVE PROCEDURE OR 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for processes, including agency review and public comment, to identify agency rules that may be contrary to law, outdated, unnecessary, overly complex, or burdensome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 every two years, 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interested person the opportunity to comment on any rule of the agency which the person believes is contrary to law, outdated, unnecessary, overly complex, or burdensome; provides for requirements of notification; requires consideration of comments and testimony; allows for agency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; requires each agency to review a sufficient number of its rules annually so that all rules of the agency are reviewed once within a six-year period; provides for reporting requirements; and provides for an effective date of January 1, 2019.

EXPENDITURES	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>5 -YEAR TOTAL</u>
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>
<b>Annual Total</b>						
REVENUES	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>5 -YEAR TOTAL</u>
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>
<b>Annual Total</b>	\$0	\$0	\$0	\$0	\$0	\$0

**EXPENDITURE EXPLANATION**

Proposed law will result in an indeterminable, but potentially significant increase in expenditures across multiple means of finance (reported as SGF in this fiscal note for simplicity) for all state entities with promulgated rules contained within the Louisiana Administrative Code (LAC).

**Provision for public comment**

The LFO cannot predict the number of persons that may attend public hearings to comment on rules. However, proposed law will require each state entity with rules in the LAC to hold a meeting allowing for public comment once in every two-year period. 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. In some cases, agencies may be required to acquire additional 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) and personnel may be necessary.

**Provision for agency internal review and reporting**

Proposed law's requirement that agencies review a sufficient number of rules each year to ensure that all of the agency's rules have been reviewed within a six-year period has the potential to significantly increase the workload of rule-heavy departments and agencies, require the production and submission of potentially voluminous reports to the corresponding oversight committees, and will result in an indeterminable, but potentially significant increase of state expenditures.

**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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**Evan Brasseaux**  
**Staff Director**

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CONTINUED EXPLANATION from page one:

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EXPENDITURE EXPLANATION CONTINUED FROM PAGE 1

Multiple departments and agencies provided information indicating a lack of sufficient fiscal and staff resources to conduct extensive, comprehensive reviews of all rules contained in the LAC in the given timeframe of six years. While some level of review and revision of administrative rules is currently anticipated annually within each budget unit, additional reviews are purported to significantly increase workloads and multiple entities reported varying needs for overtime, additional staff and/or fiscal resources.

In certain cases, methodical rule review will require additional public meetings incurring additional indeterminable costs.

The LFO is unable to corroborate the need or volume of additional resources that may be required by state entities with respect to the provisions of proposed law. However, the LFO acknowledges that proposed law will result in a material workload increase. Existing staff and financial resources may absorb some level of this activity, but some entities will be unable to comply with the provisions of proposed law without additional resources. Due to the uncertainty of the total workload impact, the LFO is unable to estimate total expenditure impacts but anticipates that such impact may be significant depending on the implementation procedures utilized by impacted state entities.

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.

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 daily meeting 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. 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 Administrative Code currently contains the following provision:

§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.

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

House
[X] 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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