



# HOUSE COMMITTEE ON APPROPRIATIONS

## FISCAL NOTE

HOUSE BILL NO. 1237

PRINTERS NO. 2996

PRIME SPONSOR: Keefer

### COST / (SAVINGS)

FUND	FY 2017/18	FY 2018/19
General Fund	\$0	\$275,000

**SUMMARY:** House Bill 1237, printer's number 2996, amends the act of June 25, 1982 (P.L. 633, No. 181), known as the Regulatory Review Act, to provide for regulations deemed withdrawn; further providing for procedures for subsequent review of disapproved final-form or final-omitted regulations by the commission; and providing for concurrent resolution required for economically significant regulations.

The effective date is 60 days after enactment.

**ANALYSIS:** The bill amends the Regulatory Review Act to require concurrent resolutions by the General Assembly for economically significant regulations. The legislation defines the term "economically significant regulation" as a regulation that, if promulgated and implemented, may reasonably be expected to result in direct or indirect cost to the Commonwealth, to its political subdivisions and to the private sector in excess of \$1,000,000 on an annual basis.

The bill also amends the Regulatory Review Act by eliminating the existing provision that a Commonwealth agency may, in lieu of its own statement, submit a fiscal note prepared by the Office of the Budget insofar as the proposed regulation relates to costs of the Commonwealth. The bill requires that estimates of the direct and indirect costs to the Commonwealth, to its political subdivisions and to the private sector be prepared by the Independent Fiscal Office for inclusion in the regulatory analysis form the agency must send to the Independent Regulatory Review Commission. A public hearing is also required to be conducted by the committees during the public comment period to receive comments regarding a proposed economically significant regulation. An agency shall appear at the public hearing if requested by the chair of the committee.

Under current law, the Regulatory Review Act provides that, except for emergency-certified regulations, an agency may not promulgate a regulation until completion of review mandated by the Regulatory Review Act. House Bill 1237 stipulates that if the regulation is an economically significant regulation, a concurrent resolution adopted by the General Assembly is required to approve the regulation. The Senate and the House of Representatives shall each have 30 calendar days or 10 legislative days, whichever is longer, from the date on which the agency requested the concurrent resolution to adopt the resolution. If the General Assembly does not adopt the concurrent resolution in the time prescribed, the final-form regulation or final-omitted regulation

shall be deemed not approved, and such regulation shall not take effect. This provision does not apply to emergency-certified regulations.

**FISCAL IMPACT:** The Independent Fiscal Office (IFO) indicates the enactment of this legislation will increase costs to the Commonwealth by approximately \$275,000 for two additional staff positions necessary to prepare the required estimates of direct and indirect costs of proposed regulations to the Commonwealth, its political subdivisions and to the private sector. Costs could be higher because the IFO has indicated that they are unable to accommodate any additional staff in their current location, so additional leased space may need to be obtained.

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House Appropriations Committee (R)

**DATE:** May 1, 2018

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*