



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1960

PRINTERS NO. 3463

PRIME SPONSOR: Ellis

COST / (SAVINGS)

FUND	FY 2017/18	FY 2018/19
Commonwealth Funds	\$0	See "Fiscal Impact"

SUMMARY: Creates the State Agency Regulatory Compliance Officer Act by requiring each state agency to appoint a regulatory compliance officer. This legislation would take effect in 60 days.

ANALYSIS: This legislation establishes the State Agency Regulatory Compliance Officer Act.

Compliance Officer Duties: All state agencies shall appoint a regulatory compliance officer who shall be tasked with interfacing with the regulated community.

The compliance officer's duties are the following:

- Educating the regulated community regarding new or amended regulations.
- Establishing clear channels of communications through which a member of a regulated community or a future member of a regulated community can contact a state agency with questions or concerns.
- Working with regulated communities to resolve noncompliance issues before imposing penalties.
- Providing a detailed explanation of all regulatory requirements under the agency's jurisdiction.

Safe Harbor: The compliance officer is empowered to issue advisory opinions, upon request, to any person regarding the person's duties under a regulation of an agency. The compliance officer shall issue an opinion within 20 business days of receiving such a request.

Opinions, or the agency's failure to provide an opinion, shall be a complete defense in any enforcement proceeding initiated by the agency and evidence of good faith conduct in any other civil or criminal proceeding if the requester committed the acts complained of, either in reliance on the advice or because of the failure of the agency to provide advice within 20 business days.

Self-Reported Violations: The compliance officer is empowered to establish guidelines for waiving any fines or penalties which an agency could impose on a regulated entity if the entity reports a violation of a statute or regulation before a fine or penalty is imposed. The guidelines shall indicate that in order to be eligible for such a waiver, the regulated entity must detail the steps it has taken or will take to remedy the violation.

Annual Report: Each state agency shall submit an annual report to the General Assembly detailing all of the following:

- Each agency's progress towards complying with the act.
- The number of regulated communities served.
- The type of regulated communities served.

FISCAL IMPACT: It is presumed that each state agency would be able to appoint a regulatory compliance officer from within existing staff as agencies that issue regulations already utilize existing staff to prepare and draft regulations for approval by the Independent Regulatory Review Commission. It would be at the discretion of each agency to promote that individual if deemed necessary, but those costs would likely be minimal and covered utilizing existing annual appropriations. There could be some costs, though indeterminable at this point, related to the educational requirements within the legislation which would be determined by each agency individually.

PREPARED BY: Tim Rodrigo
House Appropriations Committee (R)

DATE: April 30, 2018

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