



## HOUSE COMMITTEE ON APPROPRIATIONS

# FISCAL NOTE

HOUSE BILL NO. 288

PRINTERS NO. 254

PRIME SPONSOR: O'Neal

### COST / (SAVINGS)

FUND	FY 2020/21	FY 2021/22
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:

- Educate regulated communities regarding new or amended statutes and regulations prior to the effective date of implementation.
- Act as a liaison through which regulated communities can contact appropriate agency representatives with questions or concerns regarding regulations.
- Work with regulated industries to resolve self-reported noncompliance issues before imposing penalties.
- Provide a detailed explanation of regulatory requirements including expectations, guidelines for measuring compliance, and the asserted benefits of compliance.

**Opinion Requests:** The regulatory compliance officer, when requested, shall provide an opinion to any person inquiring about a regulation promulgated by the officer's agency. The compliance officer shall provide the opinion within 20 business days of the request unless an extension is needed after asserting "good cause".

A person acting in reliance upon such an opinion shall have a complete defense against any enforcement proceedings brought by an agency for a related violation. Additionally, any agency's failure to respond to a proper request shall provide the requester a complete defense against enforcement proceedings.

A complete defense is only applicable if the requester asked for a written opinion in good faith at least 20 business days prior to the alleged violation. Furthermore, the requester must have disclosed truthfully all material facts in their request and then relied upon the received opinion or the agency's failure to respond when the alleged violation is committed

**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:** May 3, 2021

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