

**SENATE APPROPRIATIONS COMMITTEE
FISCAL NOTE**

BILL NO. Senate Bill 253

PRINTER NO. 571

AMOUNT

See Fiscal Impact

FUND

Various Funds

DATE INTRODUCED

April 8, 2019

PRIME SPONSOR

Senator Phillips-Hill

DESCRIPTION

Senate Bill 253 enacts the State Agency Regulatory Compliance Officer Act to provide for regulatory compliance.

This bill requires each agency to designate a regulatory compliance officer. Each compliance officer shall develop policies and initiatives to:

- Educate the regulated community on new or amended statutes and regulations;
- Establish channels of communication with the regulated community to respond to questions or concerns;
- Work with the regulated community to resolve non-compliance; and
- Provide an explanation of, including the benefits of, regulatory requirements and guidelines.

This legislation empowers the compliance officer to issue advisory opinions regarding the requestor's duties under a regulation within 20 business days from the request. An opinion, or lack thereof, shall be a complete defense in an enforcement proceeding initiated by the agency.

Senate Bill 253 empowers the officer to establish guidelines for the waiving of fines or penalties for self-reported violations. The entity must also provide remediation steps to be eligible for relief from fines or penalties. The compliance officer shall have access to agency staff for information and advice. The officer shall also maintain clear channels of communication through which potential regulated businesses may contact the agency about future compliance.

This bill requires an annual report to be submitted to the General Assembly containing the following information:

- Progress toward compliance with the act;
- Number of regulated communities served; and
- Types of regulated communities served.

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FISCAL IMPACT:

Senate Bill 253 will have a fiscal impact on Commonwealth funds. The duties prescribed to an agency's compliance officer are similar to existing regulatory and legal functions in agencies and can be accommodated by a reallocation of current staff responsibilities.

However, provisions of this legislation provide the power to an officer to relieve an entity engaging in the self-reporting of violations from fines and penalties, which may have a negative impact on the amount of fines and penalties collected. The fiscal impact of these provisions will be dependent on the number of self-reported violations relieved in addition to the forgone fines and penalties.