

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 15, 2015

TO: Honorable Byron Cook, Chair, House Committee on State Affairs

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3158 by Smithee (Relating to legislative approval of state agency rules that take effect during the two years preceding a regular legislative session.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3158, As Introduced: a negative impact of (\$191,194) through the biennium ending August 31, 2017.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2016	(\$102,516)
2017	(\$88,678)
2018	(\$88,678)
2019	(\$88,678)
2020	(\$88,678)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Change in Number of State Employees from FY 2015
2016	(\$102,516)	1.5
2017	(\$88,678)	1.5
2018	(\$88,678)	1.5
2019	(\$88,678)	1.5
2020	(\$88,678)	1.5

Fiscal Analysis

Under the bill, a state agency rule that took effect during the two calendar years preceding the year in which a regular session of the Legislature convenes would expire on the 90th day following adjournment of the regular session. The rule would not expire only if the Legislature passes a bill during the regular or subsequent special session that approves the rule and becomes law on or before the rule's expiration date. If a rule that expires had amended or repealed a prior rule, the prior rule would go into effect, provided that the prior rule was consistent with the agency's rulemaking authority.

Each state agency would have to send a preliminary report to the presiding officer of each house of the Legislature no later than November 1 before the convening of the regular session. This preliminary report would have to include the text of each rule that took effect or was adopted and was subject to expiration. The agency would also have to send a final report on rules it had adopted by the first Monday after the regular session had convened.

The bill would apply to rules taking effect on or after January 1, 2015. The bill would take effect immediately if it receives a two-thirds vote in each house. Otherwise, it would take effect September 1, 2015.

Methodology

Under the legislation, the Secretary of State would incur costs related to tracking agency rules and legislative actions related to those rules. In order to ensure that the Texas Register and the Texas Administrative Code reflect accurate information on agency rules, the Secretary of State estimated that it would have to hire 1.5 FTEs. Staff would identify agency rules that are subject to the new law and track legislation to determine which rules are approved each session. The agency would then delete expired rules from the Administrative Code and reinstate antecedent rules when necessary. The Secretary of State would also have to promulgate rules to direct agencies on the manner to submit rules to the agency. In addition, the agency also estimates \$5,000 in technology costs in fiscal year 2016 for modifying existing Texas Register databases to comply with the legislation.

It is assumed that any cost associated with the development of new legislation would be absorbed within existing resources by the affected legislative agencies.

This analysis assumes that other agency costs related to reporting on rules could be absorbed within existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 302 Office of the Attorney General, 306 Library & Archives Commission, 307 Secretary of State, 360 State Office of Administrative Hearings, 454 Department of Insurance, 529 Health and Human Services Commission, 582 Commission on Environmental Quality

LBB Staff: UP, AG, JJ, THo, TL, TBo, CM