

### Fiscal Estimate - 2017 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> 17-1207/1	<b>Introduction Number</b> AB-0317
<b>Description</b> review by state agencies of administrative rules and enactments; an expedited process for repealing rules an agency no longer has the authority to promulgate; retrospective economic impact analyses for rules; and reporting by the Legislative Reference Bureau on rules in need of revision	
<b>Fiscal Effect</b>  <b>State:</b> <input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <input type="checkbox"/> Increase Existing Appropriations  <input type="checkbox"/> Decrease Existing Appropriations  <input type="checkbox"/> Create New Appropriations                 </div> <div style="width: 30%;"> <input type="checkbox"/> Increase Existing Revenues  <input type="checkbox"/> Decrease Existing Revenues                 </div> <div style="width: 30%;"> <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget  <div style="display: flex; justify-content: space-around; font-size: small;"> <input type="checkbox"/> Yes      <input type="checkbox"/> No                 </div> <input type="checkbox"/> Decrease Costs                 </div> </div>	
<b>Local:</b> <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;">                 1. <input type="checkbox"/> Increase Costs  <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory                  2. <input type="checkbox"/> Decrease Costs  <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory             </div> <div style="width: 30%;">                 3. <input type="checkbox"/> Increase Revenue  <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory                  4. <input type="checkbox"/> Decrease Revenue  <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory             </div> <div style="width: 30%;">                 5. Types of Local Government Units Affected  <input type="checkbox"/> Towns      <input type="checkbox"/> Village      <input type="checkbox"/> Cities  <input type="checkbox"/> Counties      <input type="checkbox"/> Others      <u>0</u>  <input type="checkbox"/> School Districts      <input type="checkbox"/> WTCS Districts             </div> </div>	
<b>Fund Sources Affected</b> <b>Affected Ch. 20 Appropriations</b> <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	
<b>Agency/Prepared By</b> DATCP/ Jason Gherke (608) 224-4748	<b>Authorized Signature</b> Jason Gherke (608) 224-4748
<b>Date</b> 9/8/2017	

## Fiscal Estimate Narratives

DATCP 9/8/2017

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<b>Description</b> review by state agencies of administrative rules and enactments; an expedited process for repealing rules an agency no longer has the authority to promulgate; retrospective economic impact analyses for rules; and reporting by the Legislative Reference Bureau on rules in need of revision					

### Assumptions Used in Arriving at Fiscal Estimate

This bill includes a new process for an agency to repeal a rule, requires an agency submit a biennially report of rulemaking, requires an agency to review all legislative enactments, and grants JCRAR the right to request an economic impact analysis of any rule.

The bill adds requirements to Wis. Stat. ch. 227, specifically to the process of repealing rules. An alternative to the current process of repealing rules is established, which includes 1) a petition and proposed rule to repeal is submitted to Legislative Counsel for review and determination that a rule is unauthorized; 2) Legislative Counsel submits the petition and proposed rule to JCRAR for review; and 3) if the petition is approved by JCRAR, the agency must promulgate the proposed rule by filing a certified copy with LRB.

The bill requires each agency submit a report to JCRAR biennially. The report must include a listing of any rules that are 1) unauthorized; 2) authority to promulgate has been restricted; 3) obsolete or that have been rendered unnecessary; 4) duplicative of, superseded by, or in conflict with another rule, a state statute, a federal statute or regulation, or a court ruling; and 5) economically burdensome. A petition to repeal an unauthorized rule must be submitted within 30 days of submitting the report that identified the unauthorized rule.

The bill requires agencies to review all legislative enactments to determine if the act 1) eliminates or restricts agency rulemaking authority; 2) makes a rule obsolete or unnecessary; 3) makes a rule inconsistent with statutory authority; or 4) requires rulemaking by an agency. If an act is determined to do any of these, the agency must submit a statement of scope to the governor or take steps to utilize the procedure for repealing unauthorized rules.

Finally, the bill includes new authority for JCRAR to direct an agency to prepare a retrospective economic impact analysis for any of the agency's rules. The analysis must include a retrospective economic impact analysis comparison of the actual economic effect to that of the economic analysis prepared at the time the rule was proposed.

### Fiscal Impact:

**Annual Costs:** It is unknown whether the bill will increase costs to the Department. The Department currently has 99 rule chapters. A few of these chapters are currently in the process of repeal, and approximately 20 chapters are at various stages in the rulemaking process. The Department works efficiently to keep rules current through the rule-making process, however, it is likely that legislative enactments and court rulings could affect the status of rules.

The estimate of fiscal impact includes costs associated with 1) repealing rules; 2) review of all legislative enactments; and 3) drafting biennial reports. It is not possible to determine the fiscal impact of possible future requests to conduct an economic analysis of a current rule.

### Long-Range Fiscal Implications