

Fiscal Estimate Narratives

DOR 2/9/2018

LRB Number	17-5307/1	Introduction Number	SB-745	Estimate Type	Original
Description deference by courts to agency interpretations of law, notice and comment requirements for guidance documents issued by agencies, and agency rule-making authority					

Assumptions Used in Arriving at Fiscal Estimate

The bill would prohibit a court from according deference to agency interpretations of law in certain proceedings and prohibits agencies from seeking deference in any proceeding to agency interpretations of law. The bill would also establish various requirements with respect to the adoption and use of guidance documents by agencies, including requirements that agencies must comply with in order to adopt guidance documents. Each guidance document would be subject to a 21-day public comment period and would need to be certified and signed by the agency's Secretary. Finally, the bill provides that settlement agreements do not confer rule-making authority.

Fiscal estimate

Deference to Agency Interpretations

The provisions of the bill related to prohibiting a court from according deference to Department of Revenue (DOR) interpretations of law would have no fiscal effect.

Guidance Documents

The Department issues guidance to taxpayers, industry groups, assessors, legislators, and others. Depending on the scope and definition of "guidance document", the Department could need additional staff at an annual cost of \$172,880 in order to identify previously issued guidance subject to the requirements of the bill, monitor compliance and to document public comments. It may be possible to absorb these costs within the agency's budget.

Additionally, the provision of the bill that rescinds any previous guidance document on July 1, 2018, that had not followed the procedures in the bill could affect voluntary compliance with tax laws, which has the potential to negatively affect revenue collections.

Settlement Agreements

DOR does not interpret settlement agreements as conferring rule-making authority. As such, the provisions of the bill related to preventing settlement agreements from conferring rule-making authority would have no fiscal effect.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2017 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 17-5307/1	Introduction Number SB-745	
Description deference by courts to agency interpretations of law, notice and comment requirements for guidance documents issued by agencies, and agency rule-making authority		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):		
II. Annualized Costs:		
Annualized Fiscal Impact on funds from:		
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringes	\$171,480	\$
(FTE Position Changes)		
State Operations - Other Costs	1,400	
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$172,880	\$
B. State Costs by Source of Funds		
GPR	172,880	
FED		
PRO/PRS		
SEG/SEG-S		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$172,880	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		
Authorized Signature		Date
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		2/9/2018