



## 1997 SENATE BILL 475

February 25, 1998 - Introduced by Senators WELCH, FARROW, SCHULTZ, A. LASEE and DRZEWIECKI, cosponsored by Representatives GROTHMAN, MUSSER, PORTER, DOBYNS, AINSWORTH, ZUKOWSKI, ALBERS, GOETSCH, KREUSER, OWENS, SPRINGER, WALKER, F. LASEE and UNDERHEIM. Referred to Committee on Economic Development, Housing and Government Operations.

- 1     **AN ACT to amend 227.19 (2); and to create 227.19 (3g) of the statutes; relating**  
2     **to: requiring cost-benefit analyses in the rule-promulgation process.**

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### *Analysis by the Legislative Reference Bureau*

Under current law, as part of the administrative rule-promulgation process, each agency that intends to promulgate a rule is required to prepare a fiscal estimate of the proposed rule. The fiscal estimate must assess the anticipated effect on county, city, village, town, school district, technical college district and sewerage district fiscal liabilities and revenues and must include a projection of the anticipated state fiscal effect during the current biennium and a projection of the net annualized fiscal impact on state funds. The agency must prepare the fiscal estimate before the proposed rule is submitted to the legislative council staff, which occurs before any public hearing on the proposed rule and before the proposed rule in its final draft form is submitted to the presiding officer of each house of the legislature.

This bill requires each agency, at the time that the agency submits a notice to the presiding officer of each house of the legislature notifying the presiding officer that a proposed rule is in final draft form, to submit a cost-benefit analysis of the proposed rule. The cost-benefit analysis required under this bill is in addition to the fiscal estimate required under current law. Under the bill, the cost benefit analysis must include all of the following:

1. The anticipated annualized cost of the proposed rule to all units of government in this state.
2. The anticipated annualized cost of the proposed rule to businesses and employes in the private sector.

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3. The anticipated annualized benefits of the proposed rule to the residents of this state.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

1           **SECTION 1.** 227.19 (2) of the statutes is amended to read:

2           227.19 (2) NOTIFICATION OF LEGISLATURE. An agency shall submit a notice to the  
3           presiding officer of each house of the legislature when a proposed rule is in final draft  
4           form. The notice shall be submitted in triplicate and shall be accompanied by a report  
5           in the form specified under sub. (3) and a cost-benefit analysis of the proposed rule  
6           in the form specified under sub. (3g). A notice received under this subsection on or  
7           after November 1 of an even-numbered year shall be considered received on the first  
8           day of the next regular session of the legislature. Each presiding officer shall, within  
9           7 working days following the day on which the notice ~~and~~, report and cost-benefit  
10          analysis are received, refer them to one committee, which may be either a standing  
11          committee or a joint legislative committee created by law, except the joint committee  
12          for review of administrative rules. The agency shall submit to the revisor for  
13          publication in the register a statement that a proposed rule has been submitted to  
14          the presiding officer of each house of the legislature. Each presiding officer shall  
15          enter a similar statement in the journal of his or her house.

16          **SECTION 2.** 227.19 (3g) of the statutes is created to read:

17          227.19 (3g) COST-BENEFIT ANALYSIS. (a) The cost-benefit analysis required  
18          under sub. (2) shall be in writing and shall include all of the following:

19           1. The anticipated annualized cost of the proposed rule to all units of  
20          government in this state.

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1           2. The anticipated annualized cost of the proposed rule to businesses and  
2 employes in the private sector in this state.

3           3. The anticipated annualized benefits of the proposed rule to the residents of  
4 this state.

5           (b) The cost-benefit analysis required under sub. (2) shall be in addition to the  
6 fiscal estimate required under s. 227.14 (4).

7           **SECTION 3. Initial applicability.**

8           (1) This act first applies to proposed rules submitted to the presiding officer of  
9 each house of the legislature under section 227.19 (2) of the statutes on the effective  
10 date of this subsection.

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(END)