

Fiscal Estimate Narratives

DOA 1/20/2011

LRB Number	11-0991/1	Introduction Number	SB-008 (JR1)	Estimate Type	Original
Description The authority of a state agency to promulgate rules interpreting the provisions of a statute enforced or administered by the agency and to implement or enforce any standard, requirement, or threshold as a term or condition of a license issued by the state agency; gubernatorial approval of proposed administrative rules; economic impact analyses of proposed rules and emergency rules; and venue in a declaratory judgment action seeking judicial review of the validity of an administrative rule and in an action in which the sole defendant is the state					

Assumptions Used in Arriving at Fiscal Estimate

If enacted, this bill makes various changes to the administrative rules process. It requires economic impact analyses for all proposed administrative rules, gubernatorial approval of proposed rules, and makes various changes to venues for rule reviews and civil actions against the state.

Under current law, five state agencies (the Departments of Agriculture, Trade and Consumer Protection; Commerce; Natural Resources; Transportation; and Workforce Development) may be required to prepare economic impact reports on proposed administrative rules if groups affected by the rule submit a petition to the Department of Administration (DOA). In those cases, DOA is then required to review and report on the economic impact report. In 2010, of the 152 administrative rules submitted to the Legislative Clearinghouse, no economic impact reports were submitted to DOA for review.

Under this legislation, all state agencies would be required to prepare economic impact analyses on all proposed rules. The bill would require DOA to review and report on any economic impact analyses that indicate a total of \$20,000,000 or more in expected implementation and compliance costs to the affected businesses or individuals. The State Budget Office in DOA can absorb any additional workload this would generate within its existing base.

In addition, under current law, if the sole defendant in a civil action is the state, its entities or its employees, the action must be brought in Dane County Circuit Court. The bill modifies this statute language so that such actions shall be brought in the county where the plaintiff resides. While there may be a fiscal effect to the state due to this change, it is unknown and indeterminate at this time.

The local fiscal estimate is indeterminate. The bill indicates that judicial review of administrative rules will move from Dane County Circuit Court to the circuit court in the county where the party bringing action against a rule resides or has its principal place of business. If the plaintiff is a non-resident or does not have a principal place of business in Wisconsin the action will be held in the Dane County Circuit Court. While there may be a local fiscal affect, it is unknown and indeterminate at this time.

Long-Range Fiscal Implications

Unknown.