

Fiscal Estimate Narratives

DNR 6/12/2025

LRB Number	25-0565/1	Introduction Number	AB-0274	Estimate Type	Original
Description the expiration of administrative rules					

Assumptions Used in Arriving at Fiscal Estimate

The bill establishes a seven-year sunset provision for each chapter of agency Administrative Code. At the end of the sunset provision, agencies would have the option to pursue the re-adoption process that is established in the bill. Under the re-adoption process, agencies would submit a notice to the Joint Committee for Review of Administrative Rules (JCRAR) and the appropriate standing committees of the agency's intent to readopt the chapter. If neither JCRAR nor the standing committees object to the re-adoption, the chapter is re-adopted and extended an additional seven years. If JCRAR or the standing committees object to the re-adoption, the chapter expires on the expiration date unless the agency promulgates a rule to re-adopt the chapter under the standard rule-making process. Under the bill, JCRAR may extend the effective date of the chapter that is set to expire for up to one year to accommodate re-adoption of the chapter through the standard rule-making process.

A. Assumptions

1. The Department currently has 374 code chapters.
2. The Department reviews and updates NR code chapters on a regular basis based on legislative directives, programmatic needs, and staff workload capacity.
3. The Department's code is developed over decades of revision and is infrequently repealed and recreated on an entire chapter basis. Rule projects that do repeal and recreate, or create entirely new chapters, are often some of the most labor-intensive projects, requiring thousands of hours of staff time.
4. The Department values and solicits public input throughout the rule-making process. The potential repeal and recreation of all DNR code chapters would require extensive Department outreach, including the coordination of public hearings, technical advisory committees, and consultation with the Natural Resources Board (NRB).
5. The Department's rulemaking is subject to review and approval by the Natural Resources Board (NRB). Rule-related agenda items make up a significant portion of the NRB's agenda on any given month. The potential repeal and recreation of all NR code chapters would increase the rule-related agenda items presented to the NRB and subsequently the staff time required to develop materials for the NRB's consideration.
6. Based on the Department's rules published in the last five years, it takes the Department an average of 35 months (~3 years) to promulgate a new rule from the scope development phase to publication of the rule. Even if JCRAR's uses its discretion to extend the expiration of a chapter by 1 year, it is possible that chapters the Department intends to re-adopt would expire before the re-adoption process is completed.
7. A gap between a repealed rule and a readopted rule would cause regulatory inconsistency and, in some cases, an inability for the Department and regulated entities to comply with state and federal law.

B. One-Time Costs

1. The Department estimates that it would incur one-time staffing costs to assess rule projects impacted by the chapter expiration, which include:
 - a. Staff time to assess existing rule chapters and potential concerns with sunset dates.
 - b. Staff time to adjust existing rule project timelines.
 - c. Staff time to develop new rule project timelines for rules that require new scope statements.

C. Ongoing Costs

The Department estimates that it would incur ongoing staffing costs for the following:

- a. Staff time to request re-adoption of existing chapters.
- b. Staff time to promulgate new rules re-adopting existing chapters if an objection occurs in the standard re-adoption process.
- c. Staff time diverted away from planned or needed rule-making efforts, in order to prioritize re-adoption of expiring rules.

D. Overall Cost Estimate

The Department estimates that the bill would significantly increase staff time for positions across the Department, including rule coordinators, subject matter experts (program and policy experts, program managers, engineers, etc.), and attorneys. However, given the variability of rule coordination, it is impossible to quantify a specific staffing cost estimate; therefore, the Department considers the fiscal impact of the bill to be indeterminate.

Long-Range Fiscal Implications