



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: [Sub. S.B. 3 of the 130th G.A.](#) **Date:** May 23, 2014
Status: As Reported by House State and Local Government **Sponsor:** Sen. LaRose

Local Impact Statement Procedure Required: No

Contents: Revises rule-making and rule-review procedures, requires the Director of Budget and Management to issue a report

State Fiscal Highlights

- Any additional costs generated for the Joint Committee on Agency Rule Review (JCARR) will be minimal at most and absorbed within the agency's existing staffing and funding levels.
- The Office of Legislative Information Systems (LIS) may incur minimal one-time costs to update the electronic rule-filing system and its Rule Watch System as required by the bill.
- The Common Sense Initiative Office (CSIO), which is within the Office of the Governor, does not anticipate any additional expenditures on behalf of the provisions in this bill.
- The Office of Budget and Management (OBM) must issue a report of findings after conducting a review of certain agency fines. OBM will use existing staff and resources to complete the report.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

The bill makes various changes to rule-making and rule-review procedures. Most notably, from a fiscal perspective, the bill increases the number of rules that will undergo the business review process by requiring existing rules that are filed for review as "no change" rules under the Periodic Review of Rules Act to go through the process. Under current law, only proposed rules are required to go through the business review process, which includes review by both the Common Sense Initiative Office (CSIO), located within the Governor's Office, and the Joint Committee on Agency Rule Review (JCARR).

As a result of the bill, JCARR may have to expend additional time and effort in its review of rules affecting businesses, the cost of which would be no more than minimal annually and can be absorbed by existing budgetary resources. Additionally, the Office of Legislative Information Systems (LIS) may incur minimal one-time costs to update the electronic rule-filing system, as some modifications may need to be made. The bill will have no discernible impact on CSIO or rule-making agencies, in terms of costs or workload, as the proposed changes are essentially codifying current practice.

The bill also requires JCARR to establish, maintain, and improve a rule-watch system allowing a person to register electronically to receive an e-mail alert when an agency files a rule for review. Complying with this requirement will create no additional costs or duties, as JCARR is already in the process of implementing such a system. The bill's requirement that JCARR integrate the CSIO and the Ohio Business Gateway into the Rule Watch System is not likely to result in additional costs for JCARR but may result in some additional work and minimal one-time costs for LIS, as they operate and maintain the Rule Watch System.

The bill requires the Director of Budget and Management to issue a report no later than February 1, 2015 to the Governor, the President of the Senate, and the Speaker of the House of Representatives. The report must contain findings and recommendations regarding all fines issued by state agencies for the purpose of administering or enforcing statutes. In completing the report, the Director must address the following topics: (1) authority to impose or levy the fine, (2) the disposition of revenue generated from imposition or levy of the fine, (3) accounting practices employed in the receipt and disposition of revenue generated from imposition or levy of the fine, and (4) the purposes for which revenue generated from imposition or levy of the fine is used. The Office of Budget and Management (OBM) does not expect to incur additional costs to complete this report. OBM will use existing staff and resources to fulfill the bill's requirement.