

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0910-06  
Bill No.: HCS for HB 715  
Subject: Administrative Rules; Administrative Law  
Type: Original  
Date: February 21, 2017

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Bill Summary: This proposal establishes the Red Tape Reduction Act.

**FISCAL SUMMARY**

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
General Revenue	(\$112,985)	(\$79,750)	(\$79,750)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$112,985)</b>	<b>(\$79,750)</b>	<b>(\$79,750)</b>

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

Officials at the **Office of the Secretary of State (SOS)** assume the proposal will require SOS to publish all changes to existing regulations and also establish, maintain and implement a website and searchable database of all current regulatory requirements.

This proposal will have an impact on the IT of SOS in the next fiscal year when the committee shares information with the SOS for the establishment, implementation, and maintenance of a website that has a searchable database of all current regulatory requirements, including a list of all current regulatory requirements, plain language purpose of each regulatory requirement, authorizing legislation or regulation for each requirement, and any changes to baseline of regulatory requirements since the legislation was enacted.

The Ad Rules Division cost would be generated by the number of pages of the Missouri Register and Code of State Regulations that would be printed to achieve the required thirty-five percent reduction at a cost of \$77,982 in FY 2018, FY 2019 and FY 2020. IT application development costs will be \$35,003 in FY 2018 with ongoing IT costs of \$1,768 each fiscal year thereafter.

Officials at the **Office of Administration (OA)** assume OA-ITSD services will be required to create a simple website with limited storage at a cost of \$4,860 (64.80 hours x \$75 per hour) in FY 2018 to implement this proposal.

**Oversight** assumes OA is provided with core funding to handle a certain amount of activity each year. Oversight assumes OA could absorb the costs related to this proposal.

Officials from the **Joint Committee on Administrative Rules (JCAR)** assume this proposal will have a fiscal impact as it significantly changes the rules promulgation process. At this time, the amount of the impact is unknown.

**Oversight** assumes JCAR will request additional staff through the appropriations process if there is a significant increase in the processing of the promulgation of rules.

Officials from the **Missouri Lieutenant Governor** and **Department of Revenue** each assume the proposal will have no fiscal impact on their respective organizations.

In response to a previous version, officials from the **Missouri Senate** assumed the proposal would have no fiscal impact on their organization.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
<b>GENERAL REVENUE FUND</b>			
<u>Cost</u> - SOS - additional printing of the Missouri Register and Code of State Regulations	(\$77,982)	(\$77,982)	(\$77,982)
<u>Cost</u> - SOS - IT services	(\$35,003)	(\$1,768)	(\$1,768)
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b><u>(\$112,985)</u></b>	<b><u>(\$79,750)</u></b>	<b><u>(\$79,750)</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill, to be referred to as the “Red Tape Reduction Act”, would establish an Office of Regulatory Management to be headed by a Governor-appointed chief regulatory management officer. The Office would also contain a “Red Tape Reduction Commission”. The long-term goal of the Office and the Commission is a reduction of thirty-five percent (35%) of existing regulations.

The proposal would require the Secretary of State to establish a website with a searchable database of all current regulatory requirements.

The proposal contains a severability clause.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Administration  
Department of Revenue  
Office of the Secretary of State  
Missouri Senate  
Missouri Lieutenant Governor  
Joint Committee on Administrative Rules

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director  
February 21, 2017

Ross Strobe  
Assistant Director  
February 21, 2017