

FISCAL NOTE

April 3, 2020

Bill No:	HB 1874	Printer's No:	2593	Sponsor:	Grove (R)
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COST / (SAVINGS)

Fund (s)	2019-20	2020-21
General Fund	See "Fiscal Impact"	See "Fiscal Impact"

SUMMARY: HB 1874 amends the Regulatory Review Act to establish a process for regulated entities to petition the Independent Regulatory Review Commission (IRRC) for review of a regulatory action taken by a commonwealth agency.

ANALYSIS: HB 1874 amends the Regulatory Review Act to allow regulated entities to petition IRRC to review any "excessive" regulatory action taken against them by a commonwealth agency. IRRC must then determine if the agencies actions were excessive and whether the requirements imposed on the regulated entity by the agency should be submitted to the commission as a separate regulation. HB 1874 defines excessive as "a regulatory action that exceeds or is beyond the scope of an agency's approved regulatory authority by the commission."

IRRC is required to gather information related to the regulatory action, including the statutory authority for the regulation and the cost of the regulatory action to the commonwealth, from the relevant agency. The regulated entity is then given a thirty-day period to provide comments to IRRC on the disputed regulatory action. During this time, the regulated agency cannot be required to comply with the requirements of the disputed regulatory action.

FISCAL IMPACT: The process established by HB 1874 has the potential to jeopardize numerous revenue streams to commonwealth agencies from fines and civil penalties issued and collected through regulatory processes. This could hinder the ability of state agencies to enforce labor and environmental standards in the commonwealth. Additionally, IRRC may face increased administrative costs in order to review these petitions from regulated entities.