

FISCAL NOTE

May 21, 2021

Bill No:	SB 32	Printer's No:	14	Sponsor:	Phillips-Hill
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COST / (SAVINGS)

Fund (s)	2020-21	2021-22
General Fund	See Fiscal Impact	See Fiscal Impact
Federal Funds	See Fiscal Impact	See Fiscal Impact

SUMMARY: SB 32 amends the Regulatory Review Act in various ways.

ANALYSIS: SB 32 requires citation of state statutory authority when implementing a regulation that explicitly states that the agency may promulgate regulations for the specific purpose they are being promulgated for and shall be deemed withdrawn without this. Estimates for direct and indirect costs to the commonwealth shall be prepared by the Independent Fiscal Office and submitted to the agency for inclusion in the regulatory analysis form to determine if a regulation is economically significant or not. Legislative committees shall conduct public hearings to receive comments on proposed economically significant regulations. Committees may also notify the Independent Regulatory Review Commission (IRRC) that they intend to disapprove or further review a final-form regulation and IRRC may not decide on the regulation for a period of days.

SB 32 will establish an enhanced review process for major regulations that impose a substantial cost burden on the commonwealth. An economically significant regulation is defined as having an impact on the state, municipalities, or the business community of \$1 million or more per year. The General Assembly would be required to vote on a concurrent resolution to approve an economically significant regulation, in order for that regulation to go into effect.

This legislation also will give the General Assembly the ability to initiate the repeal of any regulation in effect in Pennsylvania by a concurrent resolution, that the House of Representatives, Senate and Governor would need to approve.

Unless prohibited by the laws of the commonwealth, at the time an agency promulgates a new regulation, the agency shall identify at least two existing regulations for repeal.

This bill establishes the Independent Office of the Repealer within IRRC to review regulations, receive and process recommendations, evaluate the merits of recommendations in accordance with decision rules and quantitative and qualitative criteria, and make recommendations to the General Assembly and the Governor and executive agencies for repeal, modification, or revision.

SB 32 would require each agency to designate an employee as the agency's regulatory compliance officer. This officer would be tasked with being accessible to the regulated community and working with them to explain regulations and resolve noncompliance issues before imposing penalties.

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This act shall take effect in 60 days.

FISCAL IMPACT: Costs (salaries and operating expenses) for establishment of the Office of the Repealer are estimated at \$1.4 million annually.

Personnel Costs – Office of the Repealer					
Position	Multiplier	Pay grade	Salary	Benefits 50%	Total
Director	1	14	\$130,133	\$65,066.50	\$195,199.50
Deputy Director	1	13	\$114,015	\$57,007.50	\$171,022.50
Attorney 1	4	8	\$58,895	\$29,447.5	\$353,370
Business Analyst 1	4	6	\$45,184	\$22,592	\$271,104
Administrative Officer 1	1	6	\$45,184	\$22,592	\$67,776
Clerk 2	2	3	\$31,394	\$15,697	\$94,182
Total					\$1,152,654

Operating Expenditures – Office of the Repealer				
		Multiplier	Sub-Total Monthly	Sub-Total Yearly
Building Lease	\$10,000	1	\$10,000	\$120,000
Internet Services	\$72	1	\$72	\$864
Business Phones	\$65	18	\$1,170	\$14,040
Business Mobile	\$65	18	\$1,170	\$14,040
Desktop Computer Lease	\$75	18	\$1,350	\$16,200
Laptop Computer Lease	\$110	18	\$1,980	\$23,760
Network Printers	\$1,500	1		\$1,500
Copier Lease	\$210	4	\$840	\$10,080
Other				\$50,000
Total				\$250,484

Projected Costs	Annual	Salary	\$1,152,654
		Operating	\$250,484
		Total	\$1,403,138

Designation of a Regulatory Compliance Officer would most likely require an additional position, the cost of which has been estimated at \$185 thousand annually. This could also jeopardize federal funding, fine and fee revenue.