March 22, 2013

ENGROSSED
HOUSE BILL No. 1583

DIGEST OF HB 1583 (Updated March 20, 2013 3:58 pm - DI 110)

Citations Affected: IC 2-5; IC 4-22.

Synopsis: Review of administrative rules. Sets forth procedures for the appointment of: (1) the members of the administrative rules oversight committee (committee); and (2) the committee's chair; to more closely align to the actual schedule of appointments made before the election of the one hundred eighteenth general assembly. Permits committee members to participate in committee meetings from remote locations if at least five committee members are physically present at the place where the meeting is held. For a rule proposed by an agency after July 15, 2013, requires the agency to submit the rule to the committee for review if the agency determines the rule will have a total estimated economic impact greater than $500,000 on all regulated persons. Requires the agency to submit the rule to the committee not later than the date the agency submits the rule to the attorney general for review. Allows an agency to submit a rule to the committee for review if the agency determines the rule will have a total estimated economic impact less than $500,000. Permits the committee to recommend that the governor approve or disapprove the rule.

Effective: Upon passage; July 1, 2013.

Harman, Mayfield, Thompson, Moed

(SENATE SPONSORS — YODER, MISHLER, RANDOLPH)

January 23, 2013, read first time and referred to Select Committee on Government Reduction.
February 12, 2013, amended, reported — Do Pass.
February 14, 2013, read second time, ordered engrossed. Engrossed.
February 18, 2013, read third time, passed. Yeas 97, nays 0.

SENATE ACTION

February 27, 2013, read first time and referred to Committee on Public Policy.
March 21, 2013, reported favorably — Do Pass.

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March 22, 2013

First Regular Session 118th General Assembly (2013)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type.~~

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~*this style type*~~ reconciles conflicts between statutes enacted by the 2012 Regular Session of the General Assembly.

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ENGROSSED
HOUSE BILL No. 1583

A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 2-5-18-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The committee consists of the following eight (8) members of the general assembly:

(1) Four (4) members of the house of representatives appointed by the speaker of the house of representatives. Not more than two (2) members appointed under this subdivision may be members of the same political party.

(2) Four (4) members of the senate appointed by the president pro tempore of the senate. Not more than two (2) members appointed under this subdivision may be members of the same political party.

(b) The appointing authorities shall make the appointments **under subsection (a) as follows:**

(1) In 2013:

(A) after the adjournment sine die of the first regular session of the one hundred eighteenth general assembly; and

(B) before July 1, 2013.

(2) In each even-numbered year, beginning in 2014:

(A) after the election of the general assembly; and

(B) before December 1. ~~of each even-numbered year. The appointments remain~~

Subject to subsection (c), an appointment made under this subdivision remains in effect until the election of the next general assembly **and a subsequent appointment under this subdivision.**

(c) Any vacancy occurring on the committee must be filled by the appointing authority for the unexpired term.

SECTION 2. IC 2-5-18-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) **A committee chair shall be appointed from the committee members:**

(1) In 2013:

(A) after the adjournment sine die of the first regular session of the one hundred eighteenth general assembly; and

(B) before July 15, 2013;

the speaker of the house of representatives shall appoint a member of the committee to be chair of the committee during the second regular session of the one hundred eighteenth general assembly.

(2) In each even-numbered year, beginning in 2014:

(A) after the election of the general assembly and the appointment of members to the committee under section 5(b)(2) of this chapter; and

(B) before December 1;

the ~~speaker of the house~~ **president pro tempore** of ~~representatives~~ **the senate** shall appoint a member of the committee to be the chair of the committee during the first regular session of ~~each~~ **the** general assembly **that was elected in November of that calendar year.** The member appointed to be chair by the ~~speaker~~ **president pro tempore** serves as chair until the ~~beginning of the second~~ **first** regular session of that general assembly ~~(b)~~ **is adjourned sine die and a chair is appointed under subdivision (3) for the second regular session of that general assembly.**

(3) In each odd-numbered year, beginning in 2015:

(A) after the adjournment sine die of the first regular session of the general assembly elected in November of the immediately preceding calendar year; and

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(B) before December 1;

the ~~president pro tempore~~ **speaker** of the ~~senate~~ **house of representatives** shall appoint a member of the committee to be chair of the committee during the second regular session of ~~each~~ **the** general assembly **that was elected in November of the immediately preceding calendar year.** The member appointed to be chair by the ~~president pro tempore~~ **speaker** serves as chair until ~~the election of~~ the next general assembly **is elected and an appointment is made under subdivision (2) for the next elected general assembly.**

~~(c)~~ **(b)** The committee shall meet to organize on the call of the chair not later than:

(1) July 15, 2013; and

(2) December 15 of each year **thereafter.**

The committee shall meet at the call of the chair.

(c) A member of the committee may participate in a committee meeting without being physically present at the place where the meeting is conducted if the meeting is conducted in accordance with section 6.5 of this chapter.

SECTION 3. IC 2-5-18-6.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 6.5. (a) This section applies to a committee meeting at which at least five (5) committee members are physically present at the place where the meeting is conducted.**

(b) A committee member who is not physically present at the place where a committee meeting is conducted may participate in the meeting by using a means of communication that permits:

(1) the member;

(2) all other committee members participating in the meeting; and

(3) all members of the public physically present at the place where the meeting is conducted;

to communicate simultaneously with each other during the meeting.

(c) A committee member who participates in a meeting under subsection (b):

(1) is considered to be present at the meeting;

(2) shall be counted for purposes of establishing a quorum; and

(3) may vote at the meeting.

(d) The memoranda of the meeting must state the name of each member who:

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(1) was physically present at the place where the meeting was conducted;

(2) participated in the meeting by using a means of communication described in subsection (b); or

(3) was absent.

SECTION 4. IC 2-5-18-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 8. (a) The committee shall receive and may, at its discretion, review a complaint filed by a person regarding a rule or practice of an agency.

(b) **Subject to subsection (e),** the committee may, **on its own initiative,** review an agency rule **or proposed rule,** an agency practice, or a failure of an agency to adopt a rule.

(c) The committee may recommend that:

(1) a rule **or proposed rule** be modified, repealed, or adopted, **as applicable; or**

(2) in the case of a proposed rule described in subsection (e) and submitted to the committee under IC 4-22-2-28(c), the proposed rule be approved or disapproved by the governor.

(d) When appropriate, the committee shall prepare and arrange for the introduction of a bill to clarify the intent of the general assembly when the general assembly enacted a law or to correct the misapplication of a law by an agency.

(e) This subsection applies to the following:

(1) A proposed rule for which the notice required by IC 4-22-2-23 or by IC 13-14-9-3, as applicable, is published in the Indiana Register by:

(A) an agency (other than an agency listed in IC 4-21.5-2-4); or

(B) the department of environmental management;

as applicable, after July 15, 2013.

(2) A proposed rule for which the notice required under IC 13-14-9-4 is published in the Indiana Register by the department of environmental management after July 15, 2013, if notice under IC 13-14-9-3 is not published in the Indiana Register, as allowed by IC 13-14-9-7.

This subsection does not apply to an emergency rule filed with the publisher under IC 4-22-2-37.1. The committee shall review under IC 4-22-2-32.5 a proposed rule that is submitted to the committee under IC 4-22-2-31.5.

SECTION 5. IC 4-22-2-20, AS AMENDED BY P.L.123-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 20. (a) Whenever an agency submits a rule to the

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publisher, the attorney general, **the administrative rules oversight committee established by IC 2-5-18-4,** or the governor under this chapter, the agency shall submit the rule in the form of a written document that:

(1) is clear, concise, and easy to interpret and to apply; and

(2) uses the format, numbering system, standards, and techniques established under section 42 of this chapter.

(b) After June 30, 2006, all documents submitted to the publisher under this chapter must be submitted electronically in the format specified by the publisher.

(c) Except as otherwise permitted under section 21 of this chapter, after July 15, 2013, all documents submitted under this chapter to the members of the administrative rules oversight committee established by IC 2-5-18-4 must be submitted in an electronic format under IC 5-14-6.

SECTION 6. IC 4-22-2-21, AS AMENDED BY P.L.123-2006, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 21. (a) **As used in this section, "committee" refers to the administrative rules oversight committee established by IC 2-5-18-4.**

(b) If incorporation of the text in full would be cumbersome, expensive, or otherwise inexpedient, an agency may incorporate by reference into a rule part or all of any of the following matters:

(1) A federal or state statute, rule, or regulation.

(2) A code, manual, or other standard adopted by an agent of the United States, a state, or a nationally recognized organization or association.

(3) A manual of the department of local government finance adopted in a rule described in IC 6-1.1-31-9.

~~(b)~~ **(c)** Each matter incorporated by reference under subsection ~~(a)~~ **(b)** must be fully and exactly described.

~~(c)~~ **(d)** An agency may refer to a matter that is directly or indirectly referred to in a primary matter by fully and exactly describing the primary matter.

~~(d)~~ **(e) Subject to subsections (f) and (g),** whenever an agency submits a rule to the attorney general, **the committee,** the governor, or the publisher under this chapter, the agency shall also submit a copy of the full text of each matter incorporated by reference under subsection ~~(a)~~ **(b)** into the rule, other than the following:

(1) An Indiana statute or rule.

(2) A form or instructions for a form numbered by the commission on public records under IC 5-15-5.1-6.

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(3) The source of a statement that is quoted or paraphrased in full in the rule.

(4) Any matter that has been previously filed with the:

(A) secretary of state before July 1, 2006; or

(B) publisher after June 30, 2006.

(5) Any matter referred to in subsection ~~(c)~~ **(d)** as a matter that is directly or indirectly referred to in a primary matter.

~~(c)~~ **(f) Except as provided in subsection (g),** an agency may comply with subsection ~~(d)~~ **(e)** by submitting a paper or an electronic copy of the full text of the matter incorporated by reference.

(g) The full text of any matter submitted to the committee under subsection (e) must be submitted to the legislative services agency for the committee, and not to individual members of the committee. Notwithstanding subsection (f), if the matter being submitted is available to the agency in an electronic format, the agency must submit the matter to the committee in an electronic format.

SECTION 7. IC 4-22-2-28, AS AMENDED BY P.L.110-2010, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 28. (a) The following definitions apply throughout this section:

(1) "Ombudsman" refers to the small business ombudsman designated under IC 5-28-17-5.

(2) "Committee" refers to the administrative rules oversight committee established by IC 2-5-18-4.

~~(2)~~ **(3)** "Total estimated economic impact" means the annual economic impact of a rule on all regulated persons after the rule is fully implemented under subsection (g).

(b) The ombudsman:

(1) shall review a proposed rule that:

(A) imposes requirements or costs on small businesses (as defined in IC 4-22-2.1-4); and

(B) is referred to the ombudsman by an agency under IC 4-22-2.1-5(c); and

(2) may review a proposed rule that imposes requirements or costs on businesses other than small businesses (as defined in IC 4-22-2.1-4).

After conducting a review under subdivision (1) or (2), the ombudsman may suggest alternatives to reduce any regulatory burden that the proposed rule imposes on small businesses or other businesses. The agency that intends to adopt the proposed rule shall respond in writing to the ombudsman concerning the ombudsman's comments or suggested alternatives before adopting the proposed rule under section

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29 of this chapter.

(c) Subject to subsection (f) and not later than fifty (50) days before the public hearing required by section 26 of this chapter, an agency:

(1) shall submit a proposed rule to:

(A) the office of management and budget for a review under subsection (d); **and**

(B) in the case of a proposed rule described in IC 2-5-18-8(e), the committee for a review under section 32.5 of this chapter, subject to section 31.5 of this chapter;

if the agency proposing the rule determines that the rule will have a total estimated economic impact greater than five hundred thousand dollars ($500,000) on all regulated persons; **and**

(2) in the case of a proposed rule described in IC 2-5-18-8(e), may submit the proposed rule to the committee for a review under section 32.5 of this chapter if the agency proposing the rule determines that the rule will have a total estimated economic impact of five hundred thousand dollars ($500,000) or less on all regulated persons, subject to section 31.5 of this chapter.

In determining the total estimated economic impact under this subsection, the agency shall consider any applicable information submitted by the regulated persons affected by the rule. To assist the office of management and budget in preparing the fiscal impact statement required by subsection (d) **and, if applicable, the committee in performing a review under section 32.5 of this chapter,** the agency shall submit, along with the proposed rule, the data used and assumptions made by the agency in determining the total estimated economic impact of the rule.

(d) Except as provided in subsection (e), before the adoption of the rule, and not more than forty-five (45) days after receiving a proposed rule under subsection (c), the office of management and budget shall prepare, using the data and assumptions provided by the agency proposing the rule, along with any other data or information available to the office of management and budget, a fiscal impact statement concerning the effect that compliance with the proposed rule will have on:

(1) the state; and

(2) all persons regulated by the proposed rule.

The fiscal impact statement must contain the total estimated economic impact of the proposed rule and a determination concerning the extent to which the proposed rule creates an unfunded mandate on a state agency or political subdivision. The fiscal impact statement is a public

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document. The office of management and budget shall make the fiscal impact statement available to interested parties upon request. The agency proposing the rule shall consider the fiscal impact statement as part of the rulemaking process and shall provide the office of management and budget with the information necessary to prepare the fiscal impact statement, including any economic impact statement prepared by the agency under IC 4-22-2.1-5. The office of management and budget may also receive and consider applicable information from the regulated persons affected by the rule in preparation of the fiscal impact statement.

(e) With respect to a proposed rule subject to IC 13-14-9:

(1) the department of environmental management shall give written notice to the office of management and budget of the proposed date of preliminary adoption of the proposed rule not less than sixty-six (66) days before that date; and

(2) the office of management and budget shall prepare the fiscal impact statement referred to in subsection (d) not later than twenty-one (21) days before the proposed date of preliminary adoption of the proposed rule.

(f) In determining whether a proposed rule has a total estimated economic impact greater than five hundred thousand dollars ($500,000), the agency proposing the rule shall consider the impact of the rule on any regulated person that already complies with the standards imposed by the rule on a voluntary basis.

(g) For purposes of this section, a rule is fully implemented after:

(1) the conclusion of any phase-in period during which:

(A) the rule is gradually made to apply to certain regulated persons; or

(B) the costs of the rule are gradually implemented; and

(2) the rule applies to all regulated persons that will be affected by the rule.

In determining the total estimated economic impact of a proposed rule under this section, the agency proposing the rule shall consider the annual economic impact on all regulated persons beginning with the first twelve (12) month period after the rule is fully implemented. The agency may use actual or forecasted data and may consider the actual and anticipated effects of inflation and deflation. The agency shall describe any assumptions made and any data used in determining the total estimated economic impact of a rule under this section.

SECTION 8. IC 4-22-2-31.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 31.5. (a) As used in this section, "committee" refers**

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to the administrative rules oversight committee established by IC 2-5-18-4.

(b) This section applies to a proposed rule that:

(1) is described in IC 2-5-18-8(e); and

(2) under section 28(c) of this chapter, the agency proposing the rule:

(A) is required to; or

(B) elects to;

submit to the committee for a review under section 32.5 of this chapter.

(c) The agency proposing a rule subject to this section shall submit the rule to the committee under section 28(c) of this chapter after the agency has complied with section 29 of this chapter, or with IC 13-14-9-9(1) or IC 13-14-9-9(2), as applicable, and not later than the date on which the agency submits the rule to the attorney general under section 31 of this chapter. The agency shall submit the following to the committee:

(1) The rule in the form and format required by section 20 of this chapter.

(2) The documents required by section 21 of this chapter.

(3) Written authorization to proceed issued by the publisher under section 24(g) of this chapter.

(4) The fiscal impact statement prepared for the rule by the office of management and budget under section 28(d) of this chapter.

(5) Any other documents specified by the committee.

The committee may require the agency to submit any supporting documentation that the committee considers necessary for the committee's review under section 32.5 of this chapter. The agency may submit any additional supporting documentation the agency considers necessary.

SECTION 9. IC 4-22-2-32.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 32.5. (a) As used in this section, "committee" refers to the administrative rules oversight committee established by IC 2-5-18-4.**

(b) The committee shall review each rule submitted to it under section 28(c) of this chapter.

(c) The committee may recommend that the governor approve or disapprove a rule reviewed by the committee under this section.

(d) The committee has forty-five (45) days from the date that an agency submits a rule under section 28(c) of this chapter to issue a

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recommendation on the rule. If the committee makes no recommendation with respect to the rule within the time set forth in this subsection, the agency may submit the rule to the governor for approval under section 33 of this chapter without a recommendation from the committee.

(e) The committee shall halt its consideration of a rule if either of the following occurs during the time described in subsection (d):

(1) The rule is recalled by the agency under section 40 of this chapter.

(2) The attorney general disapproves the rule under section 32 of this chapter.

SECTION 10. IC 4-22-2-40, AS AMENDED BY P.L.123-2006, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 40. (a) At any time before a rule is accepted for filing by the publisher under section 35, 37.1, or 38 of this chapter, the agency that adopted the rule may recall it. A rule may be recalled regardless of whether: ~~it~~

(1) the rule has been disapproved by the attorney general under section 32 of this chapter;

(2) in the case of a rule described in section 31.5 of this chapter, the administrative rules oversight committee established by IC 2-5-18-4 has recommended under section 32.5 of this chapter that the governor disapprove the rule; or

(3) the rule has been disapproved by the governor under section 34 of this chapter.

(b) Sections 24 through 38 of this chapter do not apply to a recall action under this section. However, the agency shall distribute a notice of its recall action to the publisher for publication in the Indiana Register. Sections 24 and 26 of this chapter do not apply to a readoption action under subsection (c).

(c) After an agency recalls a rule, the agency may reconsider its adoption action and adopt an identical rule or a revised rule. However, if sections 24 through 36 of this chapter apply to the recalled rule, the readopted rule must comply with the requirements under section 29 of this chapter.

(d) The recall of a rule under this section voids any approval given after the rule was adopted and before the rule was recalled.

(e) If a rule is:

(1) subject to sections 31, **31.5,** and 33 of this chapter;

(2) recalled under subsection (a); and

(3) readopted under subsection (c);

the agency shall resubmit the readopted version of the recalled rule to

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the administrative rules oversight committee established by IC 2-5-18-4 for review and to the attorney general and the governor for approval. The attorney general and the governor have the full statutory period to approve or disapprove the readopted rule. The agency also shall comply with any other applicable approval requirement provided by statute.

(f) The readopted version of a recalled rule is effective only after the agency has complied with section 35, 37.1, or 38 of this chapter.

SECTION 11. **An emergency is declared for this act.**

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Select Committee on Government Reduction, to which was referred House Bill 1583, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 4, line 17, delete "IC 4-22-2-31.5," and insert "**IC 4-22-2-28(c),**".

Page 4, line 36, delete "rule." and insert "**rule filed with the publisher under IC 4-22-2-37.1.**".

Page 6, delete lines 16 through 42, begin a new paragraph and insert:

"SECTION 7. IC 4-22-2-28, AS AMENDED BY P.L.110-2010, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 28. (a) The following definitions apply throughout this section:

(1) "Ombudsman" refers to the small business ombudsman designated under IC 5-28-17-5.

(2) "Committee" refers to the administrative rules oversight committee established by IC 2-5-18-4.

~~(2)~~ **(3)** "Total estimated economic impact" means the annual economic impact of a rule on all regulated persons after the rule is fully implemented under subsection (g).

(b) The ombudsman:

(1) shall review a proposed rule that:

(A) imposes requirements or costs on small businesses (as defined in IC 4-22-2.1-4); and

(B) is referred to the ombudsman by an agency under IC 4-22-2.1-5(c); and

(2) may review a proposed rule that imposes requirements or costs on businesses other than small businesses (as defined in IC 4-22-2.1-4).

After conducting a review under subdivision (1) or (2), the ombudsman may suggest alternatives to reduce any regulatory burden that the proposed rule imposes on small businesses or other businesses. The agency that intends to adopt the proposed rule shall respond in writing to the ombudsman concerning the ombudsman's comments or suggested alternatives before adopting the proposed rule under section 29 of this chapter.

(c) Subject to subsection (f) and not later than fifty (50) days before the public hearing required by section 26 of this chapter, an agency:

(1) shall submit a proposed rule to:

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(A) the office of management and budget for a review under subsection (d); **and**

(B) in the case of a proposed rule described in IC 2-5-18-8(e), the committee for a review under section 32.5 of this chapter, subject to section 31.5 of this chapter;

if the agency proposing the rule determines that the rule will have a total estimated economic impact greater than five hundred thousand dollars ($500,000) on all regulated persons; **and**

(2) in the case of a proposed rule described in IC 2-5-18-8(e), may submit the proposed rule to the committee for a review under section 32.5 of this chapter if the agency proposing the rule determines that the rule will have a total estimated economic impact of five hundred thousand dollars ($500,000) or less on all regulated persons, subject to section 31.5 of this chapter.

In determining the total estimated economic impact under this subsection, the agency shall consider any applicable information submitted by the regulated persons affected by the rule. To assist the office of management and budget in preparing the fiscal impact statement required by subsection (d) **and, if applicable, the committee in performing a review under section 32.5 of this chapter,** the agency shall submit, along with the proposed rule, the data used and assumptions made by the agency in determining the total estimated economic impact of the rule.

(d) Except as provided in subsection (e), before the adoption of the rule, and not more than forty-five (45) days after receiving a proposed rule under subsection (c), the office of management and budget shall prepare, using the data and assumptions provided by the agency proposing the rule, along with any other data or information available to the office of management and budget, a fiscal impact statement concerning the effect that compliance with the proposed rule will have on:

(1) the state; and

(2) all persons regulated by the proposed rule.

The fiscal impact statement must contain the total estimated economic impact of the proposed rule and a determination concerning the extent to which the proposed rule creates an unfunded mandate on a state agency or political subdivision. The fiscal impact statement is a public document. The office of management and budget shall make the fiscal impact statement available to interested parties upon request. The agency proposing the rule shall consider the fiscal impact statement as part of the rulemaking process and shall provide the office of

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management and budget with the information necessary to prepare the fiscal impact statement, including any economic impact statement prepared by the agency under IC 4-22-2.1-5. The office of management and budget may also receive and consider applicable information from the regulated persons affected by the rule in preparation of the fiscal impact statement.

(e) With respect to a proposed rule subject to IC 13-14-9:

(1) the department of environmental management shall give written notice to the office of management and budget of the proposed date of preliminary adoption of the proposed rule not less than sixty-six (66) days before that date; and

(2) the office of management and budget shall prepare the fiscal impact statement referred to in subsection (d) not later than twenty-one (21) days before the proposed date of preliminary adoption of the proposed rule.

(f) In determining whether a proposed rule has a total estimated economic impact greater than five hundred thousand dollars ($500,000), the agency proposing the rule shall consider the impact of the rule on any regulated person that already complies with the standards imposed by the rule on a voluntary basis.

(g) For purposes of this section, a rule is fully implemented after:

(1) the conclusion of any phase-in period during which:

(A) the rule is gradually made to apply to certain regulated persons; or

(B) the costs of the rule are gradually implemented; and

(2) the rule applies to all regulated persons that will be affected by the rule.

In determining the total estimated economic impact of a proposed rule under this section, the agency proposing the rule shall consider the annual economic impact on all regulated persons beginning with the first twelve (12) month period after the rule is fully implemented. The agency may use actual or forecasted data and may consider the actual and anticipated effects of inflation and deflation. The agency shall describe any assumptions made and any data used in determining the total estimated economic impact of a rule under this section.

SECTION 8. IC 4-22-2-31.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 31.5. (a) As used in this section, "committee" refers to the administrative rules oversight committee established by IC 2-5-18-4.**

(b) This section applies to a proposed rule that:

(1) is described in IC 2-5-18-8(e); and

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(2) under section 28(c) of this chapter, the agency proposing the rule:

(A) is required to; or

(B) elects to;

submit to the committee for a review under section 32.5 of this chapter.

(c) The agency proposing a rule subject to this section shall submit the rule to the committee under section 28(c) of this chapter after the agency has complied with section 29 of this chapter, or with IC 13-14-9-9(1) or IC 13-14-9-9(2), as applicable, and not later than the date on which the agency submits the rule to the attorney general under section 31 of this chapter. The agency shall submit the following to the committee:

(1) The rule in the form and format required by section 20 of this chapter.

(2) The documents required by section 21 of this chapter.

(3) Written authorization to proceed issued by the publisher under section 24(g) of this chapter.

(4) The fiscal impact statement prepared for the rule by the office of management and budget under section 28(d) of this chapter.

(5) Any other documents specified by the committee.

The committee may require the agency to submit any supporting documentation that the committee considers necessary for the committee's review under section 32.5 of this chapter. The agency may submit any additional supporting documentation the agency considers necessary.".

Delete pages 7 through 8.

Page 9, delete lines 1 through 25.

Page 9, line 32, delete "31.5" and insert "**28(c)**".

Page 9, line 36, delete "31.5" and insert "**28(c)**".

Page 10, line 15, after "committee" insert "**established by IC 2-5-18-4**".

Page 10, line 36, after "to" insert "**the administrative rules oversight committee established by IC 2-5-18-4 for review and to**".

Page 10, line 37, delete "general, the administrative rules oversight committee" and insert "general".

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Page 10, line 38, delete "established by IC 2-5-18-4,".
Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1583 as introduced.)

STEMLER, Chair

Committee Vote: yeas 12, nays 0.

COMMITTEE REPORT

Madam President: The Senate Committee on Public Policy, to which was referred House Bill No. 1583, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to House Bill 1583 as printed February 12, 2013.)

ALTING, Chairperson

Committee Vote: Yeas 8, Nays 0.

C o p y