

Adopted	Rejected
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COMMITTEE REPORT

YES:	12
NO:	0

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:

- 1 Page 4, line 17, delete "IC 4-22-2-31.5," and insert
- 2 "**IC 4-22-2-28(c)**,".
- 3 Page 4, line 36, delete "rule." and insert "**rule filed with the**
- 4 **publisher under IC 4-22-2-37.1**,".
- 5 Page 6, delete lines 16 through 42, begin a new paragraph and
- 6 insert:
- 7 "SECTION 7. IC 4-22-2-28, AS AMENDED BY P.L.110-2010,
- 8 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 9 JULY 1, 2013]: Sec. 28. (a) The following definitions apply throughout
- 10 this section:
- 11 (1) "Ombudsman" refers to the small business ombudsman
- 12 designated under IC 5-28-17-5.
- 13 **(2) "Committee" refers to the administrative rules oversight**
- 14 **committee established by IC 2-5-18-4.**
- 15 ~~(2)~~ **(3) "Total estimated economic impact" means the annual**

1 economic impact of a rule on all regulated persons after the rule
2 is fully implemented under subsection (g).

3 (b) The ombudsman:

4 (1) shall review a proposed rule that:

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

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

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

12 After conducting a review under subdivision (1) or (2), the ombudsman
13 may suggest alternatives to reduce any regulatory burden that the
14 proposed rule imposes on small businesses or other businesses. The
15 agency that intends to adopt the proposed rule shall respond in writing
16 to the ombudsman concerning the ombudsman's comments or
17 suggested alternatives before adopting the proposed rule under section
18 29 of this chapter.

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

21 (1) shall submit a proposed rule to:

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

24 (B) **in the case of a proposed rule described in**
25 **IC 2-5-18-8(e), the committee for a review under section**
26 **32.5 of this chapter, subject to section 31.5 of this chapter;**

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

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

37 In determining the total estimated economic impact under this
38 subsection, the agency shall consider any applicable information

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

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

- 16 (1) the state; and
- 17 (2) all persons regulated by the proposed rule.

18 The fiscal impact statement must contain the total estimated economic
19 impact of the proposed rule and a determination concerning the extent
20 to which the proposed rule creates an unfunded mandate on a state
21 agency or political subdivision. The fiscal impact statement is a public
22 document. The office of management and budget shall make the fiscal
23 impact statement available to interested parties upon request. The
24 agency proposing the rule shall consider the fiscal impact statement as
25 part of the rulemaking process and shall provide the office of
26 management and budget with the information necessary to prepare the
27 fiscal impact statement, including any economic impact statement
28 prepared by the agency under IC 4-22-2.1-5. The office of management
29 and budget may also receive and consider applicable information from
30 the regulated persons affected by the rule in preparation of the fiscal
31 impact statement.

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

- 33 (1) the department of environmental management shall give
34 written notice to the office of management and budget of the
35 proposed date of preliminary adoption of the proposed rule not
36 less than sixty-six (66) days before that date; and
- 37 (2) the office of management and budget shall prepare the fiscal
38 impact statement referred to in subsection (d) not later than

1 twenty-one (21) days before the proposed date of preliminary
2 adoption of the proposed rule.

3 (f) In determining whether a proposed rule has a total estimated
4 economic impact greater than five hundred thousand dollars
5 (\$500,000), the agency proposing the rule shall consider the impact of
6 the rule on any regulated person that already complies with the
7 standards imposed by the rule on a voluntary basis.

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

- 9 (1) the conclusion of any phase-in period during which:
10 (A) the rule is gradually made to apply to certain regulated
11 persons; or
12 (B) the costs of the rule are gradually implemented; and
13 (2) the rule applies to all regulated persons that will be affected
14 by the rule.

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

23 SECTION 8. IC 4-22-2-31.5 IS ADDED TO THE INDIANA CODE
24 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
25 1, 2013]: **Sec. 31.5. (a) As used in this section, "committee" refers
26 to the administrative rules oversight committee established by
27 IC 2-5-18-4.**

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

- 29 **(1) is described in IC 2-5-18-8(e); and**
30 **(2) under section 28(c) of this chapter, the agency proposing**
31 **the rule:**
32 **(A) is required to; or**
33 **(B) elects to;**
34 **submit to the committee for a review under section 32.5 of this**
35 **chapter.**

36 **(c) The agency proposing a rule subject to this section shall**
37 **submit the rule to the committee under section 28(c) of this chapter**
38 **after the agency has complied with section 29 of this chapter, or**

1 with IC 13-14-9-9(1) or IC 13-14-9-9(2), as applicable, and not later
 2 than the date on which the agency submits the rule to the attorney
 3 general under section 31 of this chapter. The agency shall submit
 4 the following to the committee:

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

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

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

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

13 (5) Any other documents specified by the committee.

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

19 Delete pages 7 through 8.

20 Page 9, delete lines 1 through 25.

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

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

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

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

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

29 Page 10, line 38, delete "established by IC 2-5-18-4,".

30 Renumber all SECTIONS consecutively.

(Reference is to HB 1583 as introduced.)

and when so amended that said bill do pass.

Representative Stemler