SENATE MOTION

MADAM PRESIDENT:

I move that Engrossed House Bill 1583 be amended to read as follows:

Page 2, delete lines 12 through 42, begin a new paragraph and insert:

"SECTION 2. IC 2-5-18-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) The speaker of the house of representatives shall appoint a member of the committee to be the chair of the committee ~~during the first regular session of each general assembly. The member appointed to be chair by the speaker serves as chair until the beginning of the second regular session of that general assembly.~~ **for a term beginning on July 15 in an odd-numbered year and ending on July 14 in an even-numbered year.**

(b) The president pro tempore of the senate shall appoint a member of the committee to be chair of the committee ~~during the second regular session of each general assembly. The member appointed to be chair by the president pro tempore serves as chair until the election of the next general assembly.~~ **for a term beginning on July 15 in an even-numbered year and ending on July 14 in an odd-numbered year.**

(c) A vacancy in the position of chair of the committee resulting from an intervening general election or any other reason shall be filled for the remainder of the unexpired term by the appointing authority for that term of office.

~~(c)~~ **(d)** The committee shall meet to organize on the call of the chair. **In calendar year 2013, the organizational meeting must be held not later than July 15, 2013. After calendar year 2013, the organizational meeting must be held** not later than December 15 of each **even-numbered** year. The committee shall meet at the call of the chair.".

Delete page 3.

Page 4, delete lines 1 through 5.

Page 4, line 10, delete "subsection (e)," and insert "**IC 4-22-2-46,**".

Page 4, line 16, delete "described in subsection (e)" and insert "**reviewed under IC 4-22-2-46,**".

Page 4, line 17, delete "and submitted to the committee under IC 4-22-2-28(c),".

Page 4, delete lines 23 through 39, begin a new paragraph and insert:

"SECTION 4. IC 4-3-22-13, AS AMENDED BY P.L.131-2012, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 13. (a) Except as provided in ~~subsection~~ **subsections** (e) **and (f),** the OMB shall perform a cost benefit analysis upon each proposed rule **(including a proposed rule subject to IC 13-14-9) that is required to be submitted to the attorney general under IC 4-22-2-31 and submitted to the governor under IC 4-22-2-33** and provide **the analysis** to:

(1) the governor; and

(2) the administrative rules oversight committee established under IC 2-5-18.

~~an assessment of the rule's effect on Indiana business.~~ **The OMB may perform a cost benefit analysis under this section for any other rule.** The OMB shall submit ~~the~~ **a** cost benefit analysis **under this section, including any revised cost benefit analysis,** to the **administrative rules oversight** committee in an electronic format under IC 5-14-6 **as soon as practicable after the analysis is prepared.**

(b) After June 30, 2005, the cost benefit analysis performed by the OMB under this section with respect to any proposed rule ~~that has an impact of at least five hundred thousand dollars ($500,000)~~ shall replace and be used for all purposes under IC 4-22-2 in lieu of the fiscal analysis previously performed by the legislative services agency under IC 4-22-2.

(c) **Section 13.2 of this chapter applies to a cost benefit analysis prepared under this section.** In preparing a cost benefit analysis under this section, the OMB **also** shall consider in its analysis any verified data provided voluntarily by interested parties, regulated persons, and nonprofit corporations whose members may be affected by the proposed rule. A cost benefit analysis prepared under this section is a public document, subject to the following:

(1) This subsection does not empower the OMB or an agency to require an interested party or a regulated person to provide any materials, documents, or other information in connection with a cost benefit analysis under this section. If an interested party or a regulated person voluntarily provides materials, documents, or other information to the OMB or an agency in connection with a cost benefit analysis under this section, the OMB or the agency, as applicable, shall ensure the adequate protection of any:

(A) information that is confidential under IC 5-14-3-4; or

(B) confidential and proprietary business plans and other confidential information.

If an agency has adopted rules to implement IC 5-14-3-4, interested parties and regulated persons must submit the information in accordance with the confidentiality rules adopted by the agency to ensure proper processing of confidentiality claims. The OMB and any agency involved in proposing the rule, or in administering the rule upon the rule's adoption, shall exercise all necessary caution to avoid disclosure of any confidential information supplied to the OMB or the agency by an interested party or a regulated person.

(2) The OMB shall make the cost benefit analysis and other related public documents available to interested parties, regulated persons, and nonprofit corporations whose members may be affected by the proposed rule ~~at least thirty (30) days before presenting~~ **not later than the date the OMB presents** the cost benefit analysis to the governor and the administrative rules oversight committee under subsection (a).

~~(d)~~ If the OMB or an agency is unable to obtain verified data for the cost benefit analysis described in **this** subsection, ~~(c),~~ the OMB shall state in the cost benefit analysis which data were unavailable for purposes of the cost benefit analysis.

(d) The cost benefit analysis information provided to the administrative rules oversight committee in an electronic format under IC 5-14-6 under subsection (a) must include:

(1) The document number for the proposed rule assigned by the publisher of the Indiana Register.

(2) A statement of the direct economic impact of the proposed rule.

(3) A detailed description of the estimation methodology and assumptions for the direct economic impact statement.

(4) Any verified data obtained by the OMB under subsection (c), including any in connection with the direct economic impact statement.

(5) Any other materials, documents, data, and other supporting information:

(A) generated by the OMB; or

(B) obtained from the agency or from the small business ombudsman designated under IC 5-28-17-5;

as part of the cost benefit analysis.

However, if the cost benefit analysis is revised, the OMB may submit only the information related to the revisions. The information described in subdivisions (3) and (4) shall be submitted to the administrative rules oversight committee regardless of whether the agency or the OMB uses the information in developing

an economic impact assessment or a cost benefit analysis statement and regardless of whether the information is confidential information. Confidential information submitted to the administrative rules oversight committee shall be treated as confidential by the administrative rules oversight committee and all employees, contractors, and members of the general assembly.

(e) If the OMB finds that a proposed rule is:

(1) an adoption or incorporation by reference of a federal law, regulation, or rule that has no substantive effect on the scope or intended application of the federal law or rule; or

(2) a technical amendment with no substantive effect on an existing Indiana rule;

the OMB may not prepare a cost benefit analysis of the rule under this section. The agency shall submit the proposed rule to the OMB with a statement explaining how the proposed rule meets the requirements of this subsection. If the OMB finds that the rule meets the requirements of this subsection, the OMB shall provide its findings to the governor and to the committee in an electronic format under IC 5-14-6. If the agency amends or modifies the proposed rule after the OMB finds that a cost benefit analysis may not be prepared for the rule, the agency shall resubmit the proposed rule to the OMB either for a new determination that the rule meets the requirements of this subsection, or for the OMB to prepare a cost benefit analysis of the rule under this section.

(f) This section (as effective before July 1, 2013) and IC 4-22-2-28 (as effective before July 1, 2013) apply to a rule for which an agency is required to:

(1) submit the proposed version of the rule to the OMB; or

(2) give written notice to the OMB of the proposed date of preliminary adoption of the proposed version of the rule;

under IC 4-22-2-28 before July 1, 2013.

(g) This subsection does not apply to a rule described in subsection (f). Upon receipt by the administrative rules oversight committee, in an electronic format under IC 5-14-6, of:

(1) the initial cost benefit analysis required under subsection (a) and the information required under subsection (d) (excluding any later revised cost benefit analysis prepared for a finally adopted rule); or

(2) the findings for a rule under subsection (e);

the legislative services agency, acting for the administrative rules oversight committee, shall notify the attorney general by electronic or other means that the administrative rules oversight committee has received the information. The attorney general may not approve a rule under IC 4-22-2-32 until the attorney general receives from the legislative services agency the notice for the rule required by this subsection.

SECTION 5. IC 4-3-22-13.2 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 13.2. (a) This section applies to a rule for which an agency is required to:**

(1) submit the proposed version of the rule to the OMB; or

(2) give written notice to the OMB of the proposed date of preliminary adoption of the proposed version of the rule;

under IC 4-22-2-28 after June 30, 2013.

(b) Except as provided in subsection (c), before the adoption of a rule, and not more than forty-five (45) days after receiving a proposed rule under IC 4-22-2-28, the OMB shall prepare a cost benefit analysis of the rule under section 13 of this chapter. If the OMB discovers an error in a cost benefit analysis or a proposed rule is revised after the initial cost benefit analysis is prepared but before the proposed rule is:

(1) initially submitted to the attorney general for approval under IC 4-22-2-31; or

(2) submitted to the attorney general for approval under IC 4-22-2-31 after the proposed rule has been recalled under IC 4-22-2-40;

in a manner that would substantially affect the conclusions of the cost benefit analysis, the OMB shall revise the cost benefit analysis to reflect the changes in the rule finally adopted by the agency and submit the revised analysis to the administrative rules oversight committee in an electronic format under IC 5-14-6 and to the governor as soon as practicable after the revised analysis is prepared.

(c) With respect to a proposed rule subject to IC 13-14-9, the OMB shall prepare the cost benefit analysis under section 13 of this chapter not later than twenty-one (21) days before the proposed date of preliminary adoption of the proposed rule.

(d) The cost benefit analysis for a rule must include an analysis of the rule's annual direct economic impact on the state, political subdivisions, Indiana businesses, and any other regulated persons during any phase-in period and after the rule is fully implemented. For purposes of this subsection, 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.

(e) To the extent possible, the cost benefit analysis must quantify benefits separately from the costs and identify the costs and benefits to the state, political subdivisions, Indiana businesses, and other regulated persons or beneficiaries separately.

(f) The OMB 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 as a factor that reduces the cost of implementing a rule. The OMB may use actual or forecasted data and may consider the actual and anticipated effects of inflation and deflation.

(g) The cost benefit analysis must also include a determination concerning the extent to which the proposed rule creates an unfunded mandate on a state agency or political subdivision.

(h) The cost benefit analysis may include other information related to the rule's effect on Indiana businesses or on other regulated or benefitted persons.

(i) In the cost benefit analysis, the OMB shall describe any assumptions made and any data used in determining the cost and benefits of a rule and the estimation methodology used by the OMB.".

Page 6, delete lines 17 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) "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 shall submit a proposed rule to the office of management and budget for a review under ~~subsection (d) 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. 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), 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.~~

IC 4-3-22-13.

~~(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 management and budget with the information necessary to ~~prepare the fiscal impact statement,~~ **comply with IC 4-3-22-13,** including any ~~economic impact statement~~ **information** 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)~~ **(d)** 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.~~

(e) Notwithstanding this section (as effective after June 30, 2013), this section (as effective before July 1, 2013) applies to a rule for which an agency is required to:

(1) submit the proposed version of the rule to the office of management and budget; or

(2) give written notice to the office of management and budget of the proposed date of preliminary adoption of the proposed version of the rule;

under this section before July 1, 2013.

SECTION 8. IC 4-22-2-32, AS AMENDED BY P.L.1-2006, SECTION 72, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 32. (a) The attorney general shall review each rule submitted under section 31 of this chapter for legality.

(b) In the review, the attorney general shall determine whether the rule adopted by the agency complies with the requirements under section 29 of this chapter. The attorney general shall consider the following:

(1) The extent to which all persons affected by the adopted rule should have understood from the published rule or rules that their interests would be affected.

(2) The extent to which the subject matter of the adopted rule or the issues determined in the adopted rule are different from the subject matter or issues that were involved in the published rule or rules.

(3) The extent to which the effects of the adopted rule differ from the effects that would have occurred if the published rule or rules had been adopted instead.

In the review, the attorney general shall consider whether the adopted rule may constitute the taking of property without just compensation to

an owner.

(c) Except as provided in subsections (d) and (h), the attorney general shall disapprove a rule under this section only if it:

(1) has been adopted without statutory authority;

(2) has been adopted without complying with this chapter;

(3) does not comply with requirements under section 29 of this chapter; or

(4) violates another law.

Otherwise, the attorney general shall approve the rule without making a specific finding of fact concerning the subjects.

(d) If an agency submits a rule to the attorney general without complying with section 20(a)(2) of this chapter, the attorney general may:

(1) disapprove the rule; or

(2) return the rule to the agency without disapproving the rule.

(e) If the attorney general returns a rule under subsection (d)(2), the agency may bring the rule into compliance with section 20(a)(2) of this chapter and resubmit the rule to the attorney general without readopting the rule.

(f) If the attorney general determines in the course of the review conducted under subsection (b) that a rule may constitute a taking of property, the attorney general shall advise the following:

(1) The governor.

(2) The agency head.

Advice given under this subsection shall be regarded as confidential attorney-client communication.

(g) The attorney general has forty-five (45) days from the date that an agency:

(1) submits a rule under section 31 of this chapter; or

(2) resubmits a rule under subsection (e);

to approve or disapprove the rule. If the attorney general neither approves nor disapproves the rule, the rule is deemed approved, and the agency may submit it to the governor for approval under section 33 of this chapter without the approval of the attorney general.

(h) For rules adopted under IC 13-14-9, the attorney general:

(1) shall determine whether the rule adopted by the agency under IC 13-14-9-9(2) is a logical outgrowth of the proposed rule as published under IC 13-14-9-5(a)(2) and of testimony presented at the board meeting held under IC 13-14-9-5(a)(3); and

(2) may disapprove a rule under this section only if the rule:

(A) has been adopted without statutory authority;

(B) has been adopted without complying with this chapter or IC 13-14-9;

(C) is not a logical outgrowth of the proposed rule as published under IC 13-14-9-5(a)(2) and of the testimony presented at the board meeting held under IC 13-14-9-5(a)(3);

or
(D) violates another law.

(i) This subsection does not apply to a rule for which an agency is required to:

(1) submit the proposed version of the rule to the OMB; or

(2) give written notice to the OMB of the proposed date of preliminary adoption of the proposed version of the rule;

under section 28 of this chapter before July 1, 2013. IC 4-3-22-13(g) applies to the approval of a rule under this section.".

Delete pages 7 through 9.

Page 10, delete lines 1 through 11.

Page 10, delete line 20.

Page 10, line 21, delete "chapter,", begin a new line block indented and insert:

"**(2)**".

Page 10, line 23, delete "32.5" and insert "**46**".

Page 10, line 39, delete "31, 31.5," and insert "31".

Page 11, line 1, delete "administrative rules oversight committee established by" and insert "**office of management and budget for a determination as to whether the initial cost benefit analysis prepared for the rule under IC 4-3-22-13 needs to be revised**".

Page 11, line 2, delete "IC 2-5-18-4 for review".

Page 11, line 4, after "rule." insert "**The agency shall also provide the office of management and budget with sufficient information for the office of management and budget to evaluate whether its cost benefit analysis under IC 4-3-22-13 needs to be revised.**".

Page 11, between lines 8 and 9, begin a new paragraph and insert:

"SECTION 10. IC 4-22-2-46 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 46. **(a)** The administrative rules oversight committee shall carry out a program to review each **adopted** rule ~~adopted under this chapter~~ **(including a rule subject to IC 13-14-9)** that:

(1) is required to be submitted to the attorney general under IC 4-22-2-31 and submitted to the governor under IC 4-22-2-33;

(2) is not a rule described in IC 4-3-22-13(e); and

(3) has a ~~fiscal~~ **direct economic** impact of ~~more than~~ **at least** five hundred thousand dollars ($500,000).

(b) The administrative rules oversight committee may review under this section any proposed or adopted rule not described in subsection (a) for the purposes described in subsection (c)(1) through (c)(4).

(c) The administrative rules oversight committee shall review a rule under this section for the following:

(1) **Direct** economic impact.

(2) Compliance with the intent of the general assembly.

(3) The extent to which the rule creates an unfunded mandate on any state agency or political subdivision.

(4) The extent to which the rule complies with the standards in IC 4-22-2-19.5.

(d) In the case of a proposed rule reviewed under this section, the administrative rules oversight committee may recommend that the proposed rule be approved or disapproved by the governor or take any other action permitted under IC 2-5-18.

SECTION 11. IC 4-22-2.1-5, AS AMENDED BY P.L.110-2010, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 5. (a) If an agency intends to adopt a rule under IC 4-22-2 that will impose requirements or costs on small businesses, the agency shall prepare a statement that describes the annual economic impact of a rule on all small businesses after the rule is fully implemented as described in subsection (b). The statement required by this section must include the following:

(1) An estimate of the number of small businesses, classified by industry sector, that will be subject to the proposed rule.

(2) An estimate of the average annual reporting, record keeping, and other administrative costs that small businesses will incur to comply with the proposed rule.

(3) An estimate of the total annual economic impact that compliance with the proposed rule will have on all small businesses subject to the rule. The agency is not required to submit the proposed rule to the office of management and budget for a fiscal analysis under IC 4-22-2-28 ~~unless~~ **(as effective before July 1, 2013) only if the proposed rule is described in IC 4-22-2-28(e) and** the estimated economic impact of the rule is ~~greater~~ **not more** than five hundred thousand dollars ($500,000) on all regulated entities, as set forth in IC 4-22-2-28 **(as effective before July 1, 2013).**

(4) A statement justifying any requirement or cost that is:

(A) imposed on small businesses by the rule; and

(B) not expressly required by:

(i) the statute authorizing the agency to adopt the rule; or

(ii) any other state or federal law.

The statement required by this subdivision must include a reference to any data, studies, or analyses relied upon by the agency in determining that the imposition of the requirement or cost is necessary.

(5) A regulatory flexibility analysis that considers any less intrusive or less costly alternative methods of achieving the purpose of the proposed rule. The analysis under this subdivision must consider the following methods of minimizing the economic impact of the proposed rule on small businesses:

(A) The establishment of less stringent compliance or reporting requirements for small businesses.

(B) The establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses.

(C) The consolidation or simplification of compliance or reporting requirements for small businesses.

(D) The establishment of performance standards for small businesses instead of design or operational standards imposed on other regulated entities by the rule.

(E) The exemption of small businesses from part or all of the requirements or costs imposed by the rule.

If the agency has made a preliminary determination not to implement one (1) or more of the alternative methods considered, the agency shall include a statement explaining the agency's reasons for the determination, including a reference to any data, studies, or analyses relied upon by the agency in making the determination.

(b) For purposes of subsection (a), a proposed rule will be fully implemented with respect to small businesses after:

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

(A) the rule is gradually made to apply to small businesses or certain types of small businesses; or

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

(2) the rule applies to all small businesses that will be affected by the rule.

In determining the total annual economic impact of the rule under subsection (a)(3), the agency shall consider the annual economic impact on all small businesses 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 annual economic impact of a rule under subsection (a)(3).

(c) The agency shall:

(1) publish the statement required under subsection (a) in the Indiana Register as required by IC 4-22-2-24; and

(2) deliver a copy of the statement, along with the proposed rule, to the small business ombudsman designated under IC 5-28-17-5 not later than the date of publication under subdivision (1).

SECTION 12. IC 13-14-9-4.2, AS AMENDED BY P.L.123-2006, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 4.2. **(a) This subsection applies to a rule for which an agency is required to:**

(1) submit the proposed version of the rule to the office of management and budget; or

(2) give written notice to the office of management and budget

of the proposed date of preliminary adoption of the proposed version of the rule;

under IC 4-22-2-28 before July 1, 2013. Not less than fourteen (14) days before the date of preliminary adoption of a proposed rule by a board, the department shall make available to the board the fiscal impact statement prepared by the office of management and budget with respect to the proposed rule under IC 4-22-2-28(e) **(as effective June 30, 2013).**

(b) This subsection applies to a rule for which an agency is required to:

(1) submit the proposed version of the rule to the office of management and budget; or

(2) give written notice to the office of management and budget of the proposed date of preliminary adoption of the proposed version of the rule;

under IC 4-22-2-28 after June 30, 2013. Not less than fourteen (14) days before the date of preliminary adoption of a proposed rule by a board, the department shall make available to the board the direct economic impact statement prepared by the office of management and budget with respect to the proposed rule under IC 4-3-22-13.

SECTION 13. IC 13-14-9-5, AS AMENDED BY P.L.123-2006, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 5. (a) A board may not adopt a rule until all of the following occur:

(1) The board holds a board meeting on the proposed rule.

(2) The department, after approval of the proposed rule by the board under subsection (c), publishes the following in the Indiana Register as provided in IC 4-22-2-24(c):

(A) The full text of the proposed rule, including any amendments arising from the comments received before or during the meeting held under subdivision (1).

(B) A summary of the response of the department to all comments received at the meeting held under subdivision (1).

(C) ~~For a proposed rule with an estimated economic impact on regulated entities that is greater than five hundred thousand dollars ($500,000),~~ A copy of the office of management and budget ~~fiscal~~ analysis ~~required under IC 4-22-2-28.~~ **described in section 4.2 of this chapter.**

(3) The board, after publication of the notice under subdivision (2), holds another board meeting on the proposed rule.

(4) If a third public comment period is required under section 4.5 of this chapter, the department publishes notice of the third public comment period in the Indiana Register.

(b) Board meetings held under subsection (a)(1) and (a)(3) shall be conducted in accordance with IC 4-22-2-26(b) through

IC 4-22-2-26(d).

(c) At a board meeting held under subsection (a)(1), the board shall determine whether the proposed rule will:

(1) proceed to publication under subsection (a)(2);

(2) be subject to additional comments under section 3 or 4 of this chapter, considering any written finding made by the commissioner under section 7 or 8 of this chapter; or

(3) be reconsidered at a subsequent board meeting in accordance with IC 4-22-2-26(d).

SECTION 14. IC 13-14-9-6, AS AMENDED BY P.L.123-2006, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 6. In addition to the requirements of section 8 of this chapter, the department shall include the following in the written materials to be considered at the board meetings held under section 5(a)(1) and 5(a)(3) of this chapter:

(1) The full text of the proposed rule, as most recently prepared by the department.

(2) The written responses of the department to all comments received:

(A) during the immediately preceding comment period for a board meeting held under section 5(a)(1) of this chapter;

(B) during the immediately preceding board meeting under section 5(a)(1) of this chapter for a board meeting held under section 5(a)(3) of this chapter if a third public comment period is not required under section 4.5 of this chapter; or

(C) during:

(i) a third public comment period that address the portion of the preliminarily adopted rule that is substantively different from the language contained in the proposed rule published in a second notice under section 4 of this chapter; and

(ii) the immediately preceding board meeting held under section 5(a)(1) of this chapter;

for a board meeting held under section 5(a)(3) of this chapter if a third public comment period is required under section 4.5 of this chapter.

(3) The full text of the office of management and budget ~~fiscal~~ analysis if a fiscal analysis is required ~~under IC 4-22-2-28.~~ **as**

described in section 4.2 of this chapter.".

Renumber all SECTIONS consecutively.

(Reference is to EHB 1001 as printed March 22, 2013.)

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Senator YODER