

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1572 – HB 1895

April 10, 2018

SUMMARY OF ORIGINAL BILL: Prohibits an agency from enacting, adopting, or enforcing an agency policy prior to review by the Attorney General (AG). Requires the AG to review all proposed agency policies within 15 days of receiving the proposed policy from the agency. Redefines “rule” and “policy” for purposes of the Uniform Administrative Procedures Act.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures – \$15,000/One-Time
\$373,100/Recurring

Other Fiscal Impact – Time constraints associated with passage of rules or approval of policies under the provisions of this legislation could result in jeopardized federal funding to the Department of Health.

SUMMARY OF AMENDMENTS (015799, 016154, 017167): Amendment 015799 deletes and rewrites all language after the enacting clause such that the substantive changes are as follows: (1) deletes the requirement that the AG review all proposed agency policies; (2), revises the definition of a “policy”, and (3) requires, on July 1 of each year, all agencies to submit a summary and justification of adoption for all policies adopted by the agency to the chairs of the Government Operations Committees.

Amendment 016154 exempts certain statements, documents, and published materials from submission to the chairs of the Government Operations Committees as justification for adopting a policy instead of promulgating a rule.

Amendment 017167 deletes and rewrites a portion of Amendment 015799 such that the only substantive change would establish that the General Assembly retains the ability to reconstitute, restructure, and reestablish agencies subject to entity review.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

NOT SIGNIFICANT

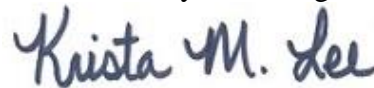
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Assumptions for the bill as amended:

- The proposed language would define “policy” to include: (1) any statement or document prepared or issued by any agency pursuant to its delegated authority that merely defines, or explains the meaning of a statute or rule, and (2) any statement or document concerning the administration of an agency’s internal operation that does not affect private rights, privileges, or procedures.
- The proposed language would define “rule” to include: (1) any agency regulation, standard, or document of general applicability that describes the procedures or practice requirements of the agency, or implements, prescribes, or interprets an enactment of the General Assembly, Congress, or a federal regulation, or (2) establishes a fee.
- Agencies would be required to submit a list of all policies adopted after June 30, 2018, to the chairs of the Government Operations Committees. Such lists are required to include a summary of the policy adopted and justification for adopting the policy instead of promulgating a rule.
- Lists of adopted policies can be provided by agencies to the chairs of the Government Operations Committees annually utilizing existing resources; therefore any increase in state expenditures is estimated to be not significant.
- Under current law, pursuant to Tenn. Code Ann. § 4-29-105, through entity reviews, evaluation committees within the General Assembly have the authority to eliminate, continue, or consolidate entities and programs within entities; therefore any fiscal impact to state government as a result of the proposed language is considered not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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