

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1837-01
Bill No.: SB 434
Subject: Boards, Commissions, Committees, Councils
Type: Original
Date: March 7, 2005

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2006 | FY 2007 | FY 2008 |
| | | | |
| | | | |
| Total Estimated Net Effect on General Revenue Fund | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2006 | FY 2007 | FY 2008 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>Other</u> State Funds | \$0 | \$0 | \$0 |

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2006 | FY 2007 | FY 2008 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|----------------|----------------|----------------|
| FUND AFFECTED | FY 2006 | FY 2007 | FY 2008 |
| Local Government | \$0 | \$0 | \$0 |

FISCAL ANALYSIS

ASSUMPTIONS

Officials from the **Department of Revenue** and the **Department of Social Services** assume this proposal would have no fiscal impact on their organizations.

Officials from the **Department of Natural Resources** assume the proposal would transfer all authority to hear appeals of administrative decisions currently granted to the Department of Natural Resources, the Air Conservation Commission, the Clean Water Commission, the Safe Drinking Water Commission, the Hazardous Waste Management Commission, and the Land Reclamation Commission to the Administrative Hearing Commission. The cost for hearing the appeals would be paid from the funds of the boards or commissions from which the appeals were transferred. In appeals involving denial of permits, licenses, or registrations, the burden of proof would be on the applicant. In all other appeals, the burden of proof would be on the department or the commission that made the original decision.

ASSUMPTIONS (continued)

Currently, the department hires a hearing officer to hear appeals brought before the commissions. The department pays for the hearing officer and for all costs associated with those hearings. These costs vary depending on the complexity of the appeal. The proposal would require the cost of the environmental appeal to be paid from the respective funds of affected commissions. If the costs for appeals before the Administrative Hearing Commission are consistent with the costs currently incurred by the commissions; the department assumes there would be no fiscal impact from this portion of the proposal. However, if appeal hearings brought before the Administrative Hearing Commission result in increased costs, additional resources would have to be requested.

Oversight assumes the net hearing costs would not be significantly greater than under the current procedure, and could be lower.

Officials from the **Office of Administration, Administrative Hearing Commission (AHC)**, assume the proposal would transfer to the AHC authority to hear cases currently decided by the Director of the Department of Natural Resources (DNR), the Hazardous Waste Management Commission, the Land Reclamation Commission, the Air Conservation Commission, and the Clean Water Commission. Many of the cases involved are already being heard by the AHC, acting as hearing officer pursuant to Memorandum of Understanding (MOU) with DNR and the commissions. Under the proposal, the commissions would retain final decision-making authority.

AHC acted as a contract hearing officer for DNR and the commissions from September 2002 to September 2004, when their workload and staffing issues caused them to stop taking the cases. The commissions had been funding a 0.5 FTE attorney under the MOU, but AHC determined that this was not sufficient. AHC assumed that the additional cases could be absorbed with their present level of clerical staffing. AHC estimated that one additional FTE attorney would be required to accommodate these cases effectively. AHC included a cost estimate based on one FTE attorney at the staff attorney salary level, and related travel and administrative costs totaling \$85,793 for FY 2006, \$105,631 for FY 2007, and \$108,381 for FY 2008.

Oversight assumes the net cost of conducting the hearings would be no greater than under the current procedure, and could be lower.

Officials from the **Office of the Secretary of State**, the **Office of the Attorney General**, the **Department of Labor and Industrial Relations**, the **Department of Economic Development**, **Public Service Commission**, and **Division of Professional Registration**, did not respond to our request for information.

Oversight assumes there would be no fiscal impact to these organizations.

| <u>FISCAL IMPACT - State Government</u> | FY 2006 (10 Mo.) | FY 2007 | FY 2008 |
|---|---------------------|------------|------------|
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

| <u>FISCAL IMPACT - Local Government</u> | FY 2006 (10 Mo.) | FY 2007 | FY 2008 |
|---|---------------------|------------|------------|
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal would transfer administrative appeal authority from the Department of Natural Resources to the Administrative Hearing Commission.

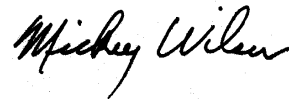
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Administration
Administrative Hearing Commission
Department of Natural Resources
Department of Revenue
Department of Social Services

NOT RESPONDING

Office of the Secretary of State
Office of the Attorney General
Department of Labor and Industrial Relations
Department of Economic Development
Public Service Commission
Division of Professional Registration



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Director
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