

1 State of Arkansas  
2 85th General Assembly  
3 First Extraordinary Session, 2006  
4

Call Item 13

# A Bill

HOUSE BILL 1016

5 By: Representatives Abernathy, Mahony  
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## For An Act To Be Entitled

9 AN ACT TO REQUIRE DETAILED FINANCIAL IMPACT  
10 STATEMENTS FOR ADMINISTRATIVE RULES PROMULGATED  
11 BY THE STATE BOARD OF EDUCATION; AND FOR OTHER  
12 PURPOSES.  
13

## Subtitle

15 AN ACT TO REQUIRE DETAILED FINANCIAL  
16 IMPACT STATEMENTS FOR ADMINISTRATIVE  
17 RULES PROMULGATED BY THE STATE BOARD OF  
18 EDUCATION.  
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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23 SECTION 1. Arkansas Code Title 6, Chapter 11 is amended to add an  
24 additional section to read as follows:

25 6-11-132. Financial impact statements for administrative rules.

26 (a)(1)(A) Except as provided in subdivision (a)(2) of this section,  
27 the State Board of Education and the State Board of Workforce Education and  
28 Career Opportunities shall prepare a financial impact statement for each rule  
29 promulgated under the Arkansas Administrative Procedure Act, § 25-15-201 et  
30 seq.

31 (B) The scope of the financial impact statement shall be  
32 determined by the State Board of Education and the State Board of Workforce  
33 Education and Career Opportunities, but shall include, at a minimum:

34 (i) The estimated cost of complying with the rule;

35 and

36 (ii) The estimated cost for public school districts



1 to implement the rule.

2 (2)(A) If the State Board of Education and the State Board of  
3 Workforce Education and Career Opportunities have reason to believe that the  
4 development of a financial impact statement for an emergency rule promulgated  
5 pursuant to the Arkansas Administrative Procedures Act, § 25-15-201 et seq.,  
6 will be so speculative as to be cost prohibitive, the State Board of  
7 Education and the State Board of Workforce Education and Career Opportunities  
8 shall submit a statement and explanation to that effect.

9 (B) However, the State Board of Education and the State  
10 Board of Workforce Education and Career Opportunities shall prepare a  
11 financial impact statement pursuant to subdivision (a)(1) of this section for  
12 an emergency rule which is promulgated for permanent adoption.

13 (b) Except as provided in subdivision (a)(2) of this section, the  
14 State Board of Education and the State Board of Workforce Education and  
15 Career Opportunities shall not promulgate a rule for which it has not  
16 prepared a financial impact statement that provides the estimated cost of  
17 complying with the rule and the estimated cost for public school districts to  
18 implement the rule.

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20 SECTION 2. Arkansas Code § 10-3-309(e), concerning financial impact  
21 statements for administrative rules, is amended to read as follows:

22 (e)(1)(A) Before any rule or regulation of any agency of the state may  
23 be revised, promulgated, amended, or changed, a copy of the rule or amendment  
24 to existing rules and a financial impact statement shall be filed with the  
25 bureau at least thirty (30) days before the expiration of the period for  
26 public comment on the rule pursuant to the Arkansas Administrative Procedure  
27 Act, § 25-15-201 et seq., or other acts pertaining to the rule-making  
28 authority of that agency.

29 (B) The scope of the financial impact statement shall be  
30 determined by the agency, but shall include, at a minimum, the estimated cost  
31 of complying with the rule or regulation and the estimated cost for the  
32 agency to implement the rule or regulation.

33 (C) ~~If~~ Except as provided in § 6-11-132, if the agency has  
34 reason to believe that the development of a financial impact statement will  
35 be so speculative as to be cost prohibitive, the agency shall submit a  
36 statement and explanation to that effect.

1 (D) If the purpose of a state agency rule or regulation is  
 2 to implement a federal rule or regulation, the financial impact statement  
 3 shall be limited to any incremental additional cost of the state rule or  
 4 regulation as opposed to the federal rule or regulation.

5 (2) The bureau shall review the proposed revised or amended rule  
 6 or regulation and, if it is believed that the rule or regulation is contrary  
 7 to legislative intent, shall file a statement thereof with the Legislative  
 8 Council.

9 (3) In either event, the proposed rule or regulation and any  
 10 comment thereon prepared by the bureau shall be submitted to the Legislative  
 11 Council at the next regular meeting following its filing with the Legislative  
 12 Council.

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 14 SECTION 3. Arkansas Code § 25-15-204(d), concerning financial impact  
 15 statements for administrative rules, is amended to read as follows:

16 (d)(1)(A) Every agency, including those exempted under § 25-15-202,  
 17 shall file with the Secretary of State, the Arkansas State Library, and the  
 18 Bureau of Legislative Research a copy of each rule adopted by it and a  
 19 statement of financial impact for the rule.

20 (B) Rules shall be filed in compliance with this section  
 21 and with §§ 25-15-218 and 10-3-309.

22 (2) The Secretary of State shall keep a register of the rules  
 23 open to public inspection, and it shall be a permanent register.

24 (3)(A) The scope of the financial impact statement shall be  
 25 determined by the agency but shall include, at a minimum, the estimated cost  
 26 of complying with the rule and the estimated cost for the agency to implement  
 27 the rule.

28 (B) ~~If~~ Except as provided in § 6-11-132, if the agency has  
 29 reason to believe that the development of a financial impact statement will  
 30 be so speculative as to be cost prohibitive, the agency shall submit a  
 31 statement and explanation to that effect.

32 (C) If the purpose of a state agency rule is to implement  
 33 a federal rule or regulation, the financial impact statement shall be limited  
 34 to any incremental additional cost of the state rule, as opposed to the  
 35 federal rule or regulation.

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1           SECTION 4. EMERGENCY CLAUSE. It is found and determined by the  
2 General Assembly of the State of Arkansas that current Arkansas law does not  
3 provide sufficient information on the cost of administrative rules  
4 promulgated by the State Board of Education and the State Board of Workforce  
5 Education and Career Opportunities; and that this bill will provide critical  
6 information on the cost of administrative rules to public school districts  
7 and will minimize the possibility of the placement of unfunded mandates upon  
8 public school districts. Therefore, an emergency is declared to exist and  
9 this act being necessary for the preservation of the public peace, health,  
10 and safety shall become effective on:

11                   (1) The date of its approval by the Governor;

12                   (2) If the bill is neither approved nor vetoed by the Governor,  
13 the expiration of the period of time during which the Governor may veto the  
14 bill; or

15                   (3) If the bill is vetoed by the Governor and the veto is  
16 overridden, the date the last house overrides the veto.

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19                                   APPROVED: 4/11/2006  
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