

Department of Finance and Administration

Legislative Impact Statement

Bill: HB2038

Bill Subtitle: TO CREATE THE STATE AND FEDERAL RELATIONS INTERIM COMMITTEE.

Basic Change :

Rep. S. Meeks

The bill establishes the State and Federal Relations Interim Committee. If the passage or implementation of a new federal law or regulation results in a fiscal impact exceeding \$100,000 for a state agency, the agency shall report the law or regulation to the Interim Committee within 10 days. A state agency receiving federal funds must issue a report to the Interim Committee no later than November 1 of each even numbered year. The report should include the uses of the federal funds, stipulations attached to the use of the federal funds, and a contingency plan should the federal funds decrease by 10%. The committee may ask the state agency to appear before the committee to discuss federal funds received by the agency.

Revenue Impact :

None

Taxpayer Impact :

None

Resources Required :

None

Time Required :

Adequate time is provided.

Procedural Changes :

DFA will need to develop procedures to quickly identify the compliance cost for each federal law or regulation that impacts what they do and report within 10 days any that may exceed \$100,000 in cost. Since the Office of Child Support Enforcement receives federal funds, we must:

- § Prepare a contingency plan should the federal funds decrease by 10%
- § Prepare additional contingencies based any amount of federal fund reduction specified if requested by the committee
- § Appear, as requested, before the committee to discuss the federal funding received by the agency

Other Comments :

The trigger date for reporting to the committee is unclear. The bill states, "...within ten (10) days of the passage or implementation of the federal law or regulation." The law may be passed on a date certain, but then implementing regulations may be effective on a different date. The question would then be what date would actually trigger the requirement to report. Final implementing regulations are often issued a year or more after the federal law is enacted and the cost of implementation is not immediately apparent. Therefore, starting this process after the law has passed may be too late. The federal government invites comments on proposed rules and regulations before they are passed.

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Legal Analysis :

HB2038 amends Title 10, Chapter 3, Subchapter 27 to create a 20 member Federal Relations Interim Committee ("the Committee") established to communicate with similar committees created by other state legislatures on issues including federal mandates imposed on states, federal funds received by state agencies and the comparative duties of these legislative committees.

The Committee has the authority to review federal laws and regulations, file a letter of grievance with the federal body issuing the law, and issue recommendations to the General Assembly that a resolution of grievance be adopted and delivered to the governmental body whenever a federal law or regulation is passed or implemented creating a fiscal impact on a state agency.

State Agencies must report to the committee within ten days of the passage or implementation of a federal law or regulation that has a fiscal impact on the agency exceeding \$100,000.

The Committee will also have the authority to review the use of federal funds received by a state agency and may request the appearance of agency representatives to discuss such federal funds.

Each agency that receives federal funds must issue a report by November 1 of even-numbered years to the committee that includes information regarding the uses of federal funds received, stipulations associated with receipt of the funds, and a contingency plan should the federal funds decrease by 10%.

The Committee may request that the report contain additional contingencies for other federal fund decreases.

The effective date is 90 days following adjournment.