

**House Committee on Consumer Protection
and Government Effectiveness**

March 31, 2015

HB 3273 – Administrative Rules Moratorium

Summary

House Bill 3273 prohibits the adoption, amendment, or repeal of an administrative rule if the estimated fiscal impact is \$50,000 or greater, for a 12 month period. When the agency creates a statement of fiscal impact it must identify state agencies, units of local government, and the public that may be economically affected by the adoption, amendment, or repeal of the administrative rule as well as estimate the economic impact on each.

Administrative Concerns

When the Oregon Department of Revenue adopts, amends, or repeals an administrative rule, there is rarely a fiscal impact because the statute causes the impact for tax purposes. The department's administrative rules are generally interpretive extensions of statutes so the rules themselves do not impose any fiscal obligation.

However, if the department is required to include the economic impact on state agencies, units of local government, and the public for an administrative rule, the \$50,000 threshold can quickly be met. As an example, if an administrative rule required taxpayers to mail a document to the department, at the current postage rate of \$.49 this would equate to only 102,041 taxpayers to reach the \$50,000 economic impact threshold.

There exists the potential for conflict between statutes that specifically require rule writing and House Bill 3273 that would prohibit the rule writing for a 12-month period when a fiscal or economic impact meets or exceeds the \$50,000 threshold. This potential for conflict also exists following court rulings that require the department to amend, repeal, or adopt rules with fiscal and economic impact that meets or exceeds the \$50,000 threshold.

Conforming Changes

To mitigate the concerns of the department, the bill can be amended to include language that outlines an exception to the \$50,000 fiscal and economic impact threshold when an agency is required by statute or court ruling to adopt, amend, or repeal an administrative rule.

For more information about this testimony, contact Deanna Mack at 503-947-2082.