

# **Greenbook**

## **LBO Analysis of Enacted Budget**

### **Joint Committee on Agency Rule Review**

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# LBO Greenbook

## Joint Committee on Agency Rule Review

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### Quick look...

- The Joint Committee on Agency Rule Review (JCARR) is responsible for oversight of proposed new, amended, and rescinded rules from state agencies, boards, and commissions.
- JCARR is a ten-member joint legislative committee consisting of five state representatives and five state senators.
  - The budget appropriates \$570,000 in each fiscal year.
  - 100% of JCARR’s funding is from a single GRF line item.

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Appropriation	FY 2021 Appropriation
<b>GRF ALI 029321, Operating Expenses</b>					
\$413,993	\$408,043	\$411,222	\$440,662	\$570,000	\$570,000
% change	-1.4%	0.8%	7.2%	29.4%	0.0%

### Agency overview

The Joint Committee on Agency Rule Review (JCARR) is responsible for the oversight of proposed new, amended, and rescinded rules from state agencies, boards, and commissions. JCARR is a ten-member joint legislative committee. The Speaker of the House of Representatives and the President of the Senate each appoint five members from their respective chambers to serve on the joint committee, with not more than three being from the same political party. In odd-numbered years, the chairperson is a House member of the joint committee appointed by the Speaker of the House; in even-numbered years, the chairperson is a Senate member of the joint committee appointed by the President of the Senate.

JCARR has a staff of four full-time employees, including an executive director, a deputy director, a rule analyst, and a rule processor. The Legislative Service Commission acts as JCARR’s fiscal agent.

Rulemaking state agencies are required to fully review and submit to JCARR each of their rules at least once every five years. As a part of that process, they are required to review each of their rules and determine whether to continue them without change, amend them, or rescind them. The primary purpose of JCARR’s oversight is to ensure that administrative rules: (1) do not exceed the scope of the rulemaking agency’s statutory authority, (2) do not conflict with the rules of that agency or another rulemaking agency, (3) do not conflict with the intent of the legislature, (4) are accompanied by a complete and accurate rule summary and fiscal analysis, and (5) meet the required standards for incorporation if the rule maker incorporated

text by reference. Additionally, if a rule has an adverse impact on business, JCARR is responsible for determining whether the rule maker demonstrated, through a series of additional requirements, that the regulatory intent of the rule justifies its adverse impact.

## **Analysis of FY 2020-FY 2021 budget**

The budget contains a temporary law provision that allows the Executive Director of JCARR to certify to the Director of Budget and Management an amount up to item 029321's unexpended, unencumbered appropriation balance in FY 2019 to be reappropriated to FY 2020, and similarly, from FY 2020 to FY 2021.

The budget also requires agencies to submit a report to JCARR providing details about the agency's review of its principles of law or policy that are not stated in the rule. This review is required under continuing law. JCARR is required to make these reports available on its website. The budget removes the requirement that the review be completed "at reasonable intervals." Each agency, as a part of continuing law, is required to complete one review during a governor's term.

In addition, H.B. 166 requires certain agencies to identify which of their rules contain regulatory restrictions and to produce an inventory of regulatory restrictions before December 31, 2019. Agencies must post the inventory on their websites and transmit copies to JCARR. JCARR is required to review the inventory and transmit it to the House Speaker and the Senate President. The budget prohibits these agencies during fiscal years 2020, 2021, 2022, and 2023, from adopting a new regulatory restriction unless they simultaneously remove two or more existing regulatory restrictions.