

AN ACT

To suspend section 103.14 of the Revised Code to create a one-year pilot program under which the Legislative Budget Office of the Legislative Service Commission analyzes the economic impact of certain bills and resolutions on Ohio businesses, to require the Legislative Budget Officer of the Legislative Budget Office of the Legislative Service Commission to cause certain tasks to be performed that will facilitate the carrying out of the office's economic impact analyses-related functions, to create another pilot program under which two state rule-making agencies analyze the economic impact of rules on Ohio businesses, to allow the Director of the Legislative Service Commission to employ a professional staff member to gather technological data and information, to exempt the Wright Technology Network from the matching contribution requirement for a grant under the Thomas Alva Edison Grant Program for the 1999-2001 biennium, and to declare an emergency.

Be it enacted by the General Assembly of the State of Ohio:

SECTION 1. The operation of the provisions of section 103.14 of the Revised Code is hereby suspended for a one-year period commencing with the effective date of this act. Instead, during that one-year period, the provisions of Section 1, Sections 1.01 to 1.05, and Section 2 of this act shall apply to the preparation by the Legislative Budget Office of the Legislative Service Commission of fiscal analyses of bills or resolutions introduced in the General Assembly that appear to affect the revenues or expenditures of the state or a county, municipal corporation, township, school district, or other governmental entity of the state or that may have a significant

nomic impact on Ohio businesses.

SECTION 1.01. During the one-year period commencing with the effective date of this act, if a bill or resolution introduced in the General Assembly appears to affect the revenues or expenditures of the state or a county, municipal corporation, township, school district, or other governmental entity of the state, or if the provisions of Section 1.04 of this act apply to a bill or resolution, the Legislative Budget Office of the Legislative Service Commission shall, before the bill or resolution is recommended for passage by the House of Representatives committee or the Senate committee of the General Assembly to which the bill or resolution was referred and again before the bill or resolution is taken up for final consideration by either house of the General Assembly, prepare a fiscal analysis of the bill or resolution. The fiscal analysis shall include an estimate, in dollars, of the amount by which the bill or resolution would increase or decrease revenues or expenditures, shall include the information required by Section 1.04 of this act when that section applies, and shall include any other information that the Legislative Budget Office considers necessary to explain the fiscal effect of the bill or resolution.

SECTION 1.02. The Legislative Budget Office shall distribute copies of a fiscal analysis in accordance with either of the following:

(A) For consideration by the Senate or House of Representatives rules committee, or the standing committee to which a bill is referred, two copies to the chairperson together with a copy to each member of the committee;

(B) For final consideration, a copy to each member of the house that is considering the bill or resolution.

If the member who introduced the bill or resolution is not a member of the house or rules committee considering the bill or resolution, the Legislative Budget Office shall send the member a copy.

SECTION 1.03. In preparing a fiscal analysis, the Legislative Budget Office may request any department, division, institution, board, commission, authority, bureau, or other instrumentality or officer of the state, or a county, municipal corporation, township, school district, or other governmental entity of the state to provide any of the following information:

(A) An estimate, in dollars, of the amount by which the bill or resolution would increase or decrease the revenues or expenditures received or made

by the instrumentality, officer, or entity;

(B) Any other information the Legislative Budget Office considers necessary for it to understand or explain the fiscal effect of the bill or resolution.

An instrumentality, officer, or entity shall comply with a request as soon as reasonably possible after it receives the request. The Legislative Budget Office shall specify the manner of compliance in its request and, if necessary, may specify a longer period of time than five days for compliance. The Legislative Budget Office may consider any information provided under this section in preparing a fiscal analysis.

SECTION 1.04. (A) As used in this section:

(1) "Ohio business" means a sole proprietorship or business organization doing business in Ohio, regardless of whether it is domiciled in Ohio.

(2) "Small business" has the same meaning as in section 121.24 of the Revised Code.

(B) The Speaker of the House of Representatives and the President of the Senate shall designate for their respective houses three standing committees for purposes of the conduct in accordance with this section of a one-year pilot program involving the Legislative Budget Office's inclusion of specified economic impact analyses in its fiscal analyses of certain bills or resolutions.

(C) If the chairperson of a standing committee that has been designated by the Speaker of the House of Representatives or the President of the Senate pursuant to division (B) of this section and to which a bill or resolution is referred believes that the bill or resolution may have a significant economic impact on Ohio businesses, the chairperson, after consulting with the ranking minority member of the standing committee, may submit a request to the Legislative Budget Office to prepare, in the form, within the time frame, and under the circumstance described in divisions (D), (E), and (F) of this section, an economic impact analysis of the specified bill or resolution. A chairperson of a designated standing committee may submit this type of request up to three times within the one-year period of the pilot program. Upon receipt of this type of request, the Legislative Budget Office shall comply with division (D) of this section.

(D) Within one week after receiving a request for an economic impact analysis under division (C) of this section, the Legislative Budget Office shall conduct preliminary general research in order to determine whether there is a likelihood that the bill or resolution in question may have a

significant economic impact on Ohio businesses, shall prepare a brief written document stating the nature of the research so conducted and setting forth the determination whether there is or is not a likelihood that the bill or resolution may have a significant economic impact on Ohio businesses, and shall deliver a copy of that document to the chairperson who submitted the request for the economic impact analysis.

(E) If the written document that the Legislative Budget Office prepares under division (D) of this section sets forth a determination that there is not a likelihood that the bill or resolution in question may have a significant economic impact on Ohio businesses, the office is not required to prepare the requested economic impact analysis of the bill or resolution.

(F) If the written document that the Legislative Budget Office prepares under division (D) of this section sets forth a determination that there is a likelihood that the bill or resolution in question may have a significant economic impact on Ohio businesses, then, within forty-five days after complying with division (D) of this section, the office shall prepare and distribute in the manner described in Section 1.02 of this act an economic impact analysis as part of a fiscal analysis of the bill or resolution prepared in the manner described in Sections 1.01 to 1.03 of this act. The economic impact analysis shall include all of the following:

(1) The office's determination that there is a likelihood that the bill or resolution may have a significant economic impact on Ohio businesses;

(2) To the extent it is practicable to so determine, the office's determination as to whether the bill or resolution may significantly increase or decrease the revenues or expenditures of Ohio businesses in general;

(3) To the extent it is practicable to so determine, the office's determination as to whether aspects of the bill or resolution may significantly impact Ohio small businesses in particular, including, but not limited to, those aspects of the bill or resolution that may uniquely increase or decrease the revenues or expenditures of Ohio small businesses or that may uniquely impact their access to a workforce;

(4) To the extent it is practicable to so determine, the office's determination as to whether aspects of the bill or resolution may significantly impact particular segments of Ohio industry or other forms of business, including, but not limited to, those aspects of the bill or resolution that may have variable geographical impacts, such as higher or lower electric utility rates for industries or other businesses located in certain parts of the state or unique ramifications for Ohio industries or other businesses located in the counties of this state that border Michigan, Pennsylvania, West Virginia, Kentucky, or Indiana;

(5) Any other information that the office considers necessary to include in order to fully explain the significant economic impact that the bill or resolution may have on Ohio businesses.

(G) Not later than April 1, 2001, the Legislative Budget Officer shall submit a report on the one-year pilot program conducted pursuant to this section to the President and Minority Leader of the Senate, the Speaker and Minority Leader of the House of Representatives, the Governor, and the Director of the Legislative Service Commission. In the report, the Legislative Budget Officer shall recommend whether the pilot program should be continued and, if so, also shall make recommendations with respect to all of the following:

(1) Whether the program should be continued as a pilot program for a specified period of time or made a permanent function of the office by appropriate revisions to section 103.14 of the Revised Code. In connection with this recommendation, the Legislative Budget Officer shall comment upon whether the office's fulfillment of its responsibilities in connection with the pilot program, in addition to its other statutory and nonstatutory responsibilities, created staffing, workload, budgetary, or other problems for the office.

(2) Whether the program should be expanded to include other standing committees of the House of Representatives and the Senate, and whether those committees should continue to be designated by the Speaker of the House of Representatives and the President of the Senate;

(3) Whether changes in the operation of the program are advisable to improve the value of the program to the members of the General Assembly in determining whether to vote in favor of or against particular bills or resolutions;

(4) Any other matters the Legislative Budget Officer considers worthwhile in light of the objectives of the program.

In the report, the Legislative Budget Officer shall explain, and provide reasons for, each of the Legislative Budget Officer's recommendations.

SECTION 1.05. The failure of the Legislative Budget Office to prepare a fiscal analysis before a bill or resolution is taken up for consideration by a committee of the House of Representatives or Senate, or by either or both houses for final consideration, shall not be construed to impair the validity of any bill or resolution passed by either or both houses of the General Assembly.

SECTION 2. The Legislative Budget Officer of the Legislative Budget Office of the Legislative Service Commission shall do all of the following:

(A) With the approval of the Director of the Legislative Service Commission, employ and fix the compensation of any necessary technical, professional, or clerical staff members, or contract for the professional services of any necessary economists or other consultants, to carry out the Legislative Budget Office's responsibilities under Section 1.04 of this act;

(B) For the purpose of facilitating the Legislative Budget Office's carrying out of its responsibilities under Section 1.04 of this act, designate one or more staff members of the Legislative Budget Office to conduct ongoing research and to gather necessary data and other information, including, but not limited to, data and other information pertaining to the following:

(1) The various types of Ohio businesses, including, in particular, small businesses as defined in section 121.24 of the Revised Code and businesses located in the counties of this state that border Michigan, Pennsylvania, West Virginia, Kentucky, or Indiana;

(2) The current status of the economy of this state and of the economy of the United States;

(3) Current economic trends in this state and generally in the United States;

(4) Technological advancements and technological issues that have or may have a significant economic impact upon Ohio businesses, including, in particular, data and other information indicating the extent to which Ohio businesses are or are not maintaining their operations in a technologically up-to-date manner and thereby promoting or failing to promote their own competitiveness and Ohio business competitiveness in general.

(C) Maintain the data and information gathered pursuant to division (B) of this section, together with a directory to that data and information, in any appropriate manner that will facilitate the Legislative Budget Office's carrying out its responsibilities under Section 1.04 of this act, including if appropriate, but not limited to, maintaining all or portions of the data, information, and associated directory by means of computer technology.

SECTION 3. As used in Sections 3 and 3.01 to 3.05 of this act:

(A) "Ohio business" means a sole proprietorship or business organization doing business in Ohio, regardless of whether it is domiciled in Ohio.

(B) "Participating agency" means the Environmental Protection Agency and the Department of Development.

(C) "Rule" means a proposed new rule adopted under Chapter 119. of the Revised Code. "Rule" does not include the amendment or rescission of an existing rule. If and when a proposed new rule is filed under divisions (B) and (H) of section 119.03 of the Revised Code, "rule" means only the original and not any revised version of the proposed new rule.

(D) "Small business" has the same meaning as in section 121.24 of the Revised Code.

SECTION 3.01. The participating agencies shall conduct a pilot program under which, during the course of a participating agency's development and proposal of a rule, the participating agency analyzes in the manner specified in division (D) of Section 3.02 of this act the potential economic impact the rule may have on Ohio businesses. Unless exempt, a rule is subject to the pilot program only if a participating agency files an original proposed version of the rule under divisions (B) and (H) of section 119.03 of the Revised Code on or after January 1, 2000, and before January 1, 2001.

SECTION 3.02. The participating agencies, in the course of developing and proposing a rule during the pilot program, shall:

(A) Make a good faith effort to identify Ohio businesses that may be significantly affected economically by the rule were it to be adopted;

(B) Make a good faith effort to identify leading individuals who are involved in the Ohio businesses identified under division (A) of this section;

(C) Invite the individuals identified under division (B) of this section to comment on the potential economic impact the rule may have on Ohio businesses in general and on their businesses in particular;

(D) Analyze, applying any information submitted under division (C) of this section and the participating agency's own expertise and experience, the potential economic impact the rule may have on the Ohio businesses identified under division (A) of this section. This analysis shall include all of the following:

(1) To the extent it is practicable to so determine, the participating agency's determination as to whether the rule may significantly increase or decrease the cost to Ohio businesses of regulatory compliance;

(2) To the extent it is practicable to so determine, the participating agency's determination as to whether the rule may significantly increase or decrease the overall regulatory burden of Ohio businesses;

(3) To the extent it is practicable to so determine, the participating agency's determination as to the impact, if any, that the rule may have on the period of time involved in the participating agency's issuance of any license, permit, or other form of authorization;

(4) Any other information that the participating agency considers necessary to include in order to fully explain the significant economic impact that the rule may have on Ohio businesses.

(E) Prepare an economic impact statement that, in textual narrative format, reports the results of the analysis conducted under division (D) of this section;

(F) Invite further comment and revise the analysis and economic impact statement whenever the rule is revised during the course of its development and proposal in such a way that the analysis is altered; and

(G) Include a current economic impact statement as part of the rule summary and fiscal analysis that is prepared for the rule if and when the rule is filed in original form under divisions (B) and (H) of section 119.03 of the Revised Code.

If the rule would be subject to small business review under section 121.24 of the Revised Code, the invitation to comment, and the analysis and economic impact statement, are to invite comment on, and give particular attention to, the potential economic impact the rule may have on Ohio small businesses. A participating agency shall include the economic impact statement as part of any rule summary and fiscal analysis it prepares for purposes of division (B)(1) of section 121.24 of the Revised Code.

A participating agency shall include the invitation to comment in a public notice prepared with respect to a rule under division (A) of section 119.03 of the Revised Code and shall send a copy of the amplified public notice to each individual identified under division (B) of this section.

If a participating agency sets forth in writing that it identifies no Ohio businesses under division (A) of this section in connection with a proposed rule, the agency is not required to prepare an analysis of that rule under division (D) of this section or an economic impact statement with respect to that rule under division (E) of this section.

SECTION 3.03. The Joint Committee on Agency Rule Review, during the pilot program, shall review economic impact statements for completeness and accuracy in light of the objectives of the pilot program.

The joint committee may return an economic impact statement to a participating agency for revision if the joint committee, by vote of two-thirds of all its members, finds that the participating agency has not

made a good faith effort to prepare a complete and accurate economic impact statement in light of the objectives of the pilot program. The joint committee shall inform the participating agency in writing of its findings and of the reasons for them.

When the joint committee returns an economic impact statement to a participating agency, the time within which the Senate and House of Representatives must adopt a concurrent resolution invalidating the proposed rule to which the statement applies thereupon stops running.

Within thirty days after receiving the returned economic impact statement, the participating agency shall withdraw the proposed rule to which the statement applies, notify the joint committee of its intent to file a revised version of the rule in the future, or revise the economic impact statement and resubmit it to the joint committee. If the participating agency fails to withdraw the proposed rule, to notify the joint committee of its intent to file a revised version of the rule in the future, or to resubmit a revised economic impact statement within the thirty-day period, the proposed rule is invalid the same as if the Senate and House of Representatives had adopted a concurrent resolution invalidating the proposed rule.

The joint committee shall review a resubmitted revised economic impact statement. If the joint committee, by vote of two-thirds of all its members, finds that the participating agency, in revising and resubmitting the economic impact statement, has not made a good faith effort to prepare a complete and accurate economic impact statement in light of the objectives of the pilot program, it may either:

(A) Return the resubmitted revised economic impact statement to the participating agency for revision, resubmission, and review, as in the case of the original statement; or

(B) Recommend that the Senate and House of Representatives adopt a concurrent resolution invalidating the proposed rule to which the resubmitted revised economic impact statement applies.

The Senate and House of Representatives may adopt a concurrent resolution invalidating a proposed rule as contemplated by this section not later than the thirtieth day after the revised economic impact statement applying to the proposed rule is resubmitted to the joint committee.

SECTION 3.04. (A) The following rules are exempt from the pilot program:

(1) A rule that a participating agency has determined should be exempt from the five-year review requirement of section 119.032 of the Revised Code;

(2) A rule adopted under the emergency rule-making procedure of division (F) of section 119.03 of the Revised Code, except that the rule, unless otherwise exempt, is subject to the pilot program when it is readopted under the nonemergency rule-making procedure;

(3) A rule that is substantially and procedurally identical to a federal law or rule in order to continue the operation of a federally reimbursed program in this state, so long as the rule contains a statement that it is proposed for the purpose of complying with a federal law or rule and a citation to that federal law or rule.

(B) A participating agency in writing may request the Joint Committee on Agency Rule Review to exempt from the pilot program a rule that otherwise would be subject to the program. The participating agency shall provide reasons for the requested exemption.

The joint committee, within thirty days after receiving a request for exemption and by vote of a majority of all its members, may grant the exemption if it finds that the objectives of the pilot program will not be adversely affected if the rule is not included in the pilot program. The joint committee shall notify the participating agency in writing of its action on the request. If the joint committee does not act on the request within thirty days after receiving it, the request is deemed to have been approved.

SECTION 3.05. Not later than April 1, 2001, the participating agencies and the Joint Committee on Agency Rule Review shall each separately submit a report on the pilot program to the President and Minority Leader of the Senate, the Speaker and Minority Leader of the House of Representatives, the Governor, and the Director of the Legislative Service Commission. In their reports, the participating agencies and joint committee shall recommend whether the pilot program should be continued and, if so, also shall recommend:

(A) Whether the program should be continued as a pilot program for a specified period of time or made a permanent program by appropriate revisions to the Revised Code;

(B) Whether the program should be expanded to include other rule-making agencies;

(C) Whether different or additional exemptions to the program are advisable;

(D) Whether changes in the operation of the program are advisable to improve its efficiency or to make it more likely that its objectives will be achieved; and

(E) Any other matters the participating agency or joint committee

considers worthwhile in light of the objectives of the program.

In their reports, a participating agency and the joint committee shall explain, and provide reasons for, each of its recommendations.

SECTION 4. The Director of the Legislative Service Commission may employ and fix the compensation of a professional staff member for the purpose of conducting ongoing research and gathering necessary data and other information pertaining to technological advancements and technological issues that may have relevance in the preparation of legislation or research memoranda for members of the General Assembly.

SECTION 5. Notwithstanding division (C)(3) of section 122.33 of the Revised Code, the Director of Development shall waive any requirements for matching contributions for the Wright Technology Network during the 1999-2001 biennium.

SECTION 6. This act is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health, and safety. The reason for this necessity is so that the General Assembly will be able to take immediate action regarding the possible significant economic impact of certain bills, resolutions, and rules on Ohio businesses. Therefore, this act shall go into immediate effect.

Speaker _____ *of the House of Representatives.*

President _____ *of the Senate.*

Passed _____, 20____

Approved _____, 20____

Governor.

Sub. H. B. No. 13

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The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

Director, Legislative Service Commission.

Filed in the office of the Secretary of State at Columbus, Ohio, on the
____ day of _____, A. D. 20____.

Secretary of State.

File No. _____ Effective Date _____