

BILL ANALYSIS

Senate Research Center

S.B. 1197
By: Lucio
Economic Development
4-23-97
As Filed

DIGEST

Currently, fiscal notes and/or public benefit-cost notes try to achieve policy goals within a stated range. Rules adopted with fiscal notes which either greatly exceed or underestimate the costs associated with the implementation of the rule are unfair to the industry. This bill lessens the acceptable margin of error in the fiscal notes which accompany rules proposed by the Texas Department of Insurance and provides a mechanism by which a rule adopted with a fiscal note projecting costs outside the acceptable range error would be null and void on the date it is accepted.

PURPOSE

As proposed, S.B. 1197 lessens the acceptable margin of error in the fiscal notes which accompany rules proposed by the Texas Department of Insurance and provides a mechanism by which a rule adopted with a fiscal note projecting costs outside the acceptable range error would be null and void on the date it is accepted.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article 1.03B, Insurance Code, to provide that this article applies to rules adopted by the commissioner of insurance in accordance with Chapter 2001, Government Code. Provides that the rule is void effective on the date the rule is adopted, if the fiscal note required by Section 2001.0241, Government Code, rather than Article 6252-13a(5)(a), V.T.C.S., fails to state actual costs, and the reasonable costs exceeds actual costs by at least 10, rather than 25, percent. Provides that a high figure in a cost estimate shall not exceed the low figure by 15 percent.

SECTION 2. Severability clause.

SECTION 3. Provides that a rule not in conformity with SECTION 1 is null and void.

SECTION 4. Provides that this Act controls if in conflict with other laws, rules, regulations, or provisions.

SECTION 5. Emergency clause.
Effective date: upon passage.