

**Legislative Research Council
Proposed Rules Fiscal Note Review Checklist**

Date Proposed Rules Received by LRC:	December 15, 2023
Date Public Hearing Scheduled:	February 22, 2024
Proposed Rules Reviewed by:	Mary Merxbauer
Fiscal Note Reviewed by:	Bill Douglas

"No agency rule may be enforced by the courts of this state until it has been adopted in conformance with the procedures set forth in this chapter." (SDCL 1-26-6.8)

Staff:

Please review the proposed rules and supporting documents and submit them with this completed checklist to the Code Counsel within ten business days from the date the proposed rules are received by the LRC.

KEY

ENTRY:	"[Initials]"	"N/A"	"[Initials]*"
MEANING:	Reviewed by	Not applicable	Edit Recommended or Issue

1. Verify the rules packet includes ([SDCL 1-26-4\(2\)](#)):

a. Fiscal note (Form 5):	<u>BD</u>
b. Small business impact statement (Form 14):	<u>BD</u>
c. Housing Cost Impact Statement (Form 16), if applicable:	<u>N/A</u>

2. Review proposed rules for:

i. If the rule increases a fee, verify the agency provided information regarding financial resources available to the agency: beginning fund balance, receipts, disbursements, and ending fund balance for each of the last two fiscal years, as well as beginning fund balance, projected receipts, projected disbursements, and ending balance for current and next fiscal years. (SDCL 1-26-4.8)	<u>N/A</u>
ii. If the rule increases a fee by a licensing board or commission, verify the fee increase is "reasonable and necessary" in accordance with SDCL 1-26-6.9 .	<u>N/A</u>

3. Review the Fiscal Note ([SDCL 1-26-4.2](#)):

a. Verify the Fiscal Note states whether the proposed rule will have any effect on the revenues, expenditures, or fiscal liability of the state, agencies, and subdivisions:	<u>BD</u>
i. If there is an effect, verify the Fiscal Note includes an explanation of how the effect was computed?	<u>N/A</u>
ii. If there is an effect on subdivisions, is that effect described?	<u>N/A</u>

4. Review Small Business Impact Statement ([SDCL 1-26-2.1](#)):
- a. Verify if the rule change has any small business impact based on readily available info: BD

 - i. If only INDIRECT, verify that a brief description of the impact is included. N/A

 - ii. If DIRECT, review 4.b through 4.h:
 - b. Verify the Impact Statement includes a narrative explanation in plain, easy-to-read language. BD

 - c. Verify the narrative explanation discusses the effect of the proposed rule on small business, including the basis for the rule's enactment and why the rule is needed. BD

 - d. Verify the narrative explanation includes an identification and estimated number of small businesses subject to the proposed rule. BD

 - e. Verify the Impact Statement includes the projected reporting and record-keeping required for compliance with the proposed rule. BD

 - f. Verify the Impact Statement includes the types of professional skills necessary for preparation of required reports or records. BD

 - g. Verify the Impact Statement includes a statement of the probable effect on impacted small business. BD

 - h. Verify the Impact Statement includes a description of any less intrusive or less costly alternative methods of achieving the proposed rule's purpose. BD

5. Review Housing Cost Impact Statement ([SDCL 1-26-2.3](#)), if applicable:
- a. Verify that the agency has indicated what building sectors will be impacted by the rule change. N/A

 - b. Verify a description of and explanation of necessity for each standard and requirement is included. N/A

 - c. Verify the statement includes the average estimated cost of each standard and requirement. N/A

 - d. Verify that contact and estimate information is included for three licensed contractors or building trades professionals. N/A

Reviewed by Code Counsel on January 25, 2024