



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:	
HB0836 - Revise insurance laws relating to regulatory waivers (Zolnikov, Katie)	
Status: As Introduced	

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$5,020	\$4,000	\$6,090	\$7,210
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$1,000	\$1,000	\$1,000	\$1,000
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: HB 836 allows the Commissioner of Insurance to grant a variance or waiver with respect to the requirements of insurance law or rule if certain conditions are met by a property or casualty insurer. The State Auditor's Office can implement the majority of this bill's requirements using existing staff and resources. However, there will be additional personal services and operating expenditures incurred by the office in order to adopt the rules for HB 836 in the first year and to monitor the approved waivers. These costs will be partially offset by waiver filing fees.

FISCAL ANALYSIS

Assumptions:

State Auditor's Office

1. Waiver complexity, and the associated filing fees, will be determined on a case-by-case basis. It is difficult to project filing fee revenue that will be earned by the State Auditor's Office based on the variable complexity and unknown quantity of waiver applications.
2. For purposes of this fiscal note, however, it is assumed there will be one simple waiver submission to the office per year (\$1,000 in revenue). If there are additional simple or complex waiver applications, this projection will increase.

3. The Legal Department’s one-time costs to adopt rules for HB 836 are projected to be \$4,020. This includes costs for paralegal (54 hours at \$30/hour = \$1,620) and attorney (36 hours at \$50/hour = \$1,800) services and rule filing fees (10 pages x \$60/page filing fee = \$600).
4. The office’s ongoing monitoring requirements are estimated at \$2,000 per year per waiver (40 staff attorney hours x \$50/hour). It is assumed there will only be six months of monitoring for fiscal year 2024 due to the time it will take for the office to develop rules and review and approve any waiver applications.
5. Personal services for the office’s ongoing waiver monitoring have been inflated by 1.5% for fiscal years 2026 and 2027.
6. The waiver applications will be granted for an initial period of three years. It is assumed these waivers will not be granted an extension.

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
FTE	0.00	0.00	0.00	0.00
<u>Expenditures:</u>				
Personal Services	\$4,420	\$4,000	\$6,090	\$7,210
Operating Expenses	\$600	\$0	\$0	\$0
TOTAL Expenditures	<u>\$5,020</u>	<u>\$4,000</u>	<u>\$6,090</u>	<u>\$7,210</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$5,020	\$4,000	\$6,090	\$7,210
TOTAL Funding of Exp.	<u>\$5,020</u>	<u>\$4,000</u>	<u>\$6,090</u>	<u>\$7,210</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$1,000	\$1,000	\$1,000	\$1,000
TOTAL Revenues	<u>\$1,000</u>	<u>\$1,000</u>	<u>\$1,000</u>	<u>\$1,000</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$4,020)	(\$3,000)	(\$5,090)	(\$6,210)



 Sponsor's Initials

 Date



 Budget Director's Initials



 Date