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February 25, 2025

TO: The Honorable Joseline Pena-Melnyk
Chair, Health and Government Operations Committee

FROM: Adam Spangler
Legislative Aide, Legislative Affairs, Office of the Attorney General

RE: House Bill 1279 – State Agencies – Adoption of Regulations – Required- **Letter of Information**

The Office of Attorney General (OAG) respectfully offers this letter of information to the Committee on **House Bill 1279** - State Agencies – Adoption of Regulations – Required. **House Bill 1279** prohibits a unit of State government that is required by law to adopt regulations to implement a program that is authorized or required under State law from collecting any fee or other payment under that program until the unit finalizes adoption of the regulations that implement the program.

OAG wants to highlight there could be a detrimental impact upon a State agency that is mandated to implement a new program under new legislation becoming effective on a date certain, e.g. October 1, 2025, because any fees authorized to be collected for the new program cannot be collected until regulations are finalized and adopted and that could take many months, maybe even a year, after the effective date of the legislation unless emergency regulations are adopted, especially if there is opposition during the public comment period.

Also, if the fees to be collected under a new program are to be set aside in a separate special fund that is to serve as the sole funding source for the new program, there could be a lengthy delay in the start-up of the program due to the absence of funding to hire new State employees.

Moreover, if there are current State statutes in effect that require a State agency/unit of State government to adopt regulations before the agency/unit collect “any fee or other payment,” and the agency/unit has not adopted the mandated regulations but has been collecting fees or other payments anyway, then would that agency/unit as of October 1, 2025 be required to stop collecting fees until the agency/unit adopts the mandated regulations? This could be a loss of a funding stream (while regulations are being written and adopted) for the administration of the

program if the fees being collected are being set aside into a Special Fund that is the funding source for the program. OAG also notes the bill includes no sanction for noncompliance or a grace period for agencies who are currently not in compliance to become compliant.

Should the committee consider amending the bill, the amendments should include: definitions of "fee" and "other payment" and any exceptions. Without definitions, disputes regarding the meaning of "fee" or "other payments" are highly likely. The Committee may also want to consider a time grace period for a State agency/unit who is not in compliance at the time the legislation becomes effective on October 1, 2025 to become compliant with the new law.

The Office of the Attorney General urges the Committee to carefully consider the concerns outlined above as it deliberates this critical issue.

cc: The Honorable Delegate Seth Howard
Health & Government Operations Committee Members