

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6680**

**BILL NUMBER:** HB 1436

**NOTE PREPARED:** Feb 17, 2021

**BILL AMENDED:** Feb 11, 2021

**SUBJECT:** Administrative Proceedings and State Agencies.

**FIRST AUTHOR:** Rep. Thompson

**FIRST SPONSOR:** Sen. Messmer

**BILL STATUS:** As Passed House

**FUNDS AFFECTED:**  GENERAL  
 DEDICATED  
 FEDERAL

**IMPACT:** State

**Summary of Legislation:** *Attorney's Fees in Administrative Actions:* The bill provides that, in an adjudicative administrative proceeding concerning an agency action, the administrative law judge (ALJ) shall order the agency to pay the reasonable attorney's fees incurred by the party challenging the agency action if the administrative law judge makes a finding that the agency action was:

- (1) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law;
- (2) contrary to constitutional right, power, privilege, or immunity;
- (3) in excess of statutory jurisdiction, authority, or limitations, or short of statutory right;
- (4) without observance of procedure required by law; or
- (5) not supported by substantial evidence.

**Effective Date:** July 1, 2021.

**Explanation of State Expenditures:** *Attorney's Fees in Administrative Actions:* State expenditures could increase if an ALJ finds that a state agency action was arbitrary, capricious, contrary to constitutional right, in excess of statutory jurisdiction, without observance of procedure required by law, or not supported by substantial evidence, as the bill requires the ALJ to order a state agency to pay the reasonable attorney's fees incurred by the party challenging the agency action.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Office of Administrative Law Proceedings; potentially all state agencies.

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Heather Puletz, 317-234-9484.