

Legislative Analysis



PERIODIC REVIEW OF RULES

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House Bill 4500

Sponsor: Rep. Eileen Kowall

Committee: Regulatory Reform

Complete to 5-17-11

A SUMMARY OF HOUSE BILL 4500 AS INTRODUCED 3-24-11

House Bill 4500 would make the following changes to the Administrative Procedures Act.

****Each agency and the appropriate standing committees of the Senate and House of Representatives would have to review each set of rules to determine if there is any increased impact on businesses, including small businesses, since the effective date of the rules. For current rules, the review would have to occur within three years after this bill takes effect. For new rules, the review would have to occur within five years after the bill's effective date. An agency and the appropriate legislative committees would have to adopt a review plan that prioritizes the review of rules over a six-year period, with first priority to given to those rules that affect the greatest number of businesses, groups, and individuals, and those rules with the greatest actual statewide compliance costs for businesses, groups, and individuals.**

****A review of the rules must include:**

- The continued need for the rules.
- The nature of any complaints or comments received from the public.
- The complexity of complying with the rules.
- The extent to which the rules conflict with or duplicate similar rules adopted by the federal government or local units of government.
- The date of the last review and the degree to which technology, economic conditions, or other factors have changed regulatory activity.

****Each state agency and the appropriate legislative committees would then have to review rules on the seventh anniversary of the initial review and every seven years after.**

****Currently, each state agency must prepare an annual regulatory plan reviewing its rules. The plan must identify the rules it expects to process in the next year, the mandatory statutory rule authority it has not exercised, and the rules it plans to rescind in the next year. The bill would also require the plan to include the rules the agency expects to review in the next year.**

FISCAL IMPACT:

The bill would have no fiscal impact on the state or local units of government. Departments are already required, under the Administrative Procedures Act, to file annual regulatory plans with the Office of Regulatory Reinvention (ORR). The regulatory plan reviews rules expected to be processed within the next year, and the rules expected to be rescinded in the next year. Theoretically, the completion of the regulatory plan already requires departments to review the continued need for the rules, input from the regulated industry and interested stakeholders, potential conflicts with other state and federal rules, and changes within the industry being regulated. Moreover, the criteria to be utilized by the departments in reviewing rules are also listed in Executive Order 2011-5, which creates the Office of Regulatory Reinvention, which would, presumably, periodically review rules in concert with the promulgating agency. The exact nature of the role and activities of the legislative standing committees in reviewing administrative rules under the bill isn't entirely known, although the review of administrative rules would already be a part of their legislative oversight responsibilities.

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