SB179

148275-1

By Senator Waggoner

RFD: Fiscal Responsibility and Accountability

First Read: 12-FEB-13
SYNOPSIS: This bill, which would be named "The Red Tape Reduction Act," would require an agency that proposes a rule which may have an adverse impact on a business under certain conditions to prepare and file a Business Economic Impact Statement prior to the adoption of the rule, with the Joint Committee on Administrative Regulation Review. The bill would also require agencies to review all agency rules every five years.

A BILL TO BE ENTITLED
AN ACT

Relating to the Administrative Procedure Act; to adopt The Red Tape Reduction Act; to add Sections 41-22-5.1 and 41-22-5.2 to the Code of Alabama 1975; to further provide for notification to the public of proposed rules; and to require any agency which proposes a rule which may have an adverse impact on a business, under certain conditions,
prepare and file with the Joint Committee on Administrative Regulation Review a Business Economic Impact Statement prior to adoption of the rule; and to require agencies to review all agency rules every five years.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. This act shall be known and may be cited as "The Red Tape Reduction Act."

Section 2. Sections 41-22-5.1 and 41-22-5.2 are added to Chapter 22, Title 41, Code of Alabama 1975, to read as follows:

§41-22-5.1.

(a) When an agency files a notice of intent to adopt, amend, or repeal any rule, the agency shall make its best efforts to notify the public of the proposed rule. At a minimum, when the agency files the notice of intent, the agency shall post the text of the rule the agency proposes to adopt, amend, or repeal on its website or, if the agency has no website, on a website operated or maintained by the executive branch. Additionally, when the agency files a notice of intent to adopt, amend, or repeal a rule, the agency shall electronically notify any person who has registered with the agency his or her desire to receive notification of any proposal by the agency to adopt, amend, or repeal a rule.

(b) If, prior to the end of the notice period, a business notifies an agency that it will be negatively impacted by an action proposed under subsection (a), the agency shall prepare and submit to the committee the
information provided by the affected business as well as a Business Economic Impact Statement. The statement shall estimate the number of businesses subject to the agency's proposal as well as the projected reporting, recordkeeping, and other administrative costs required for compliance with the proposal. An agency shall prepare the business economic impact statement using information available to the agency in the normal course of business and utilizing the expertise and experience of existing agency employees.

(c) After receiving a business economic impact statement from an agency, the committee may require the agency to analyze and report to the committee the feasibility of some or all of the following methods of reducing the impact of the rule on businesses:

(1) The establishment of less stringent compliance or reporting requirements for businesses.

(2) The establishment of less stringent schedules or deadlines for compliance or reporting requirements for businesses.

(3) The consolidation or simplification of compliance or reporting requirements for businesses.

(4) The establishment of performance standards for businesses to replace design or operational standards required in the rule.

(d) An agency shall include information on any business economic impact statement whether the proposed rule
is proposed as a result of a requirement issued by a federal agency.

(e) A business economic impact statement required to be filed pursuant to this section shall be filed with the Legislative Reference Service at the same time as the proposed rule is certified to the Legislative Reference Service and shall be available for public inspection.

(f) Each agency that files a business economic impact statement, at the time it is filed, shall place that statement on its website in a location that is easily accessible by the general public, or, if the agency does not have a website, on a website operated or maintained by the executive branch.

(g) If the committee determines that an agency or a division of an agency exists primarily to perform licensing-related functions, the agency is not required to comply with the provisions of this section unless the committee determines in writing that an agency's proposal has such a negative impact on businesses that the filing of a business economic impact statement is warranted.

(h) An agency is not required to comply with this section if the proposed rule is being adopted in order for the agency to comply with membership requirements in a multi-state or national membership organization.

(i) This section shall not apply to the promulgation of an emergency rule adopted pursuant to subsection (b) of Section 41-22-5.
§41-22-5.2.

(a) Within five years of the effective date of this section, each agency shall review all agency rules existing on that date to determine whether the rules should be continued without change, or should be amended or rescinded. If the head of the agency determines that completion of the review of existing rules is not feasible by the established date, the agency shall publish a statement certifying that determination.

(b) A rule adopted after the effective date of this section shall be reviewed every five years in a manner consistent with subsection (a).

Section 3. This act shall become effective on the first day of the third month following its passage and approval by the Governor, or its otherwise becoming law.