FIRST REGULAR SESSION

HOUSE COMMITTEE SUBSTITUTE FOR

HOUSE BILL NO. 715

99TH GENERAL ASSEMBLY

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D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 26, RSMo, by adding thereto one new section relating to the red tape reduction act.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 26, RSMo, is amended by adding thereto one new section, to be known as section 26.800, to read as follows:

26.800. 1. This section shall be known and may be cited as the "Red Tape Reduction Act".

- 2. For the purposes of this section, the following terms shall mean:
- (1) "Agency", any administrative officer or body existing under the constitution or by law and authorized by the constitution or law to make rules or to adjudicate contested cases, except those in the legislative or judicial branches;
- (2) "Cap", a limit on the total number of agency regulations as to create and sustain a zero net increase after a specific date.
- 3. The governor shall appoint a chief regulatory management officer, from an existing member of the governor's staff, who shall head the "Office of Regulatory Management", which is hereby created. The officer may make reasonable requests for staff assistance from the research and appropriations staffs of the house of representatives, senate, and the governor, as well as the office of administration and the department of revenue, no later than three months after the enactment of this section.
- 4. The office of regulatory management shall establish a baseline measurement of regulations through a review of all such agency regulations currently in place. This review shall be conducted by:
 - (1) Requesting from the agencies copies of all current regulations;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

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19 **(2)** Gathering all governing regulations, legislation, or other rulemaking 20 documents; and

(3) Noting all existing sunset clauses already established in current regulation.

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- The office of regulatory management may make use of documents produced by the joint committee on legislative research and the joint committee on administrative rules which shall also provide assistance, as feasible, to the office of regulatory management without incurring additional salary costs.
- 5. The state of Missouri hereby directs the office of regulatory management to make recommendations consistent with the goal of achieving a cap on regulations promulgated under the code of state regulations beginning six months after the enactment of this section. The long-term goal of the office of regulatory management shall be a reduction of thirty-five percent of existing regulations. For purposes of this section, regulations shall be individuated by numbering as they are published in the code of state regulations.
- 6. The office of regulatory management shall share information with the secretary of state for the establishment, implementation, and maintenance of a website allowing the public to stay informed of existing regulations and progress towards the goal under subsection 5 of this section. The office may request that the secretary of state create and maintain the website, or create links and pages supplementing an existing website upon an appropriation for such purpose. The website shall make available a searchable online database that includes:
 - (1) A list of all current regulations;
- (2) The summary of each regulation;
 - (3) The responsible agency for each regulation;
 - (4) The authorizing legislation or regulation for each regulation; and
- 45 (5) Any changes to the baseline of regulations since the enactment of such 46 legislation.
- 7. The office of regulatory management shall establish a commission to be known as the "Red Tape Reduction Commission" and shall include the following members:
 - (1) The regulatory management officer, who will serve as chair of the commission;
 - (2) The governor, or an individual the governor designates;
- 51 (3) The secretary of state, or an individual the secretary of state designates;
- 52 (4) The speaker of the house of representatives, or an individual the speaker of the house designates;

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54 (5) The president pro tempore of the senate, or an individual the president pro 55 tempore designates;

- (6) Three individuals from the private sector selected by the speaker of the house of representatives;
- (7) Three individuals from the private sector selected by the president pro tempore of the senate; and
- **(8)** Two individuals from the private sector selected by the regulatory management 61 officer.

The private sector individuals shall have a term lasting two years.

- 8. No member of the commission, including the regulatory management officer, shall receive compensation for serving on the commission, except for any actual or necessary expenses.
- 9. All state agencies and political subdivisions of the state responsible for the administration of regulations shall cooperate with and assist the commission in the performance of its duties and shall, subject to chapter 610, make available all books, records, and information requested.
- 10. The red tape reduction commission shall meet as often as necessary to fulfill its duties as outlined in this section and shall prepare suggestions for the general assembly regarding current regulations that could be sunset. The commission shall take the following criteria into consideration while making suggestions:
- (1) Whether the rule continues to be necessary, taking into consideration the purpose, scope, and intent of the statute under which the rule was adopted;
- (2) Whether the rule is obsolete, taking into consideration the length of time since the rule was modified and the degree to which technology, economic conditions, or other relevant factors have changed in the subject area affected by the rule;
- (3) Whether the rule overlaps, duplicates, or conflicts with other state rules, and to the extent feasible, with federal and local governmental rules;
- (4) Whether a less restrictive, more narrowly tailored, or alternative rule could adequately protect the public or accomplish the same statutory purpose;
 - (5) Whether the rule is especially burdensome on businesses within the state; and
- (6) Whether the rule disproportionally affects or inhibits competition for businesses with fewer than fifty employees or with annual revenues below one million dollars as compared to larger businesses with more than fifty employees and with annual revenues greater than one million dollars.

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11. No less than every six months, the suggestions of the red tape reduction commission shall be compiled into reports and sent to the office of regulatory management for review. The office of regulatory management shall review the reports and submit a list of recommended regulations to be sunset by the general assembly.

- 12. The house of representatives or senate may adopt rules allowing for the expedited consideration and passage of a bill implementing the recommendations of the commission, but shall pass any such bill under the normal requirements for bill passage mandated by the Constitution of Missouri.
 - 13. The red tape reduction commission shall operate openly and transparently by:
- (1) Listing all members of the commission on the website created by the office of regulatory management;
 - (2) Conducting all meetings subject to the provisions of section 610.020; and
- (3) Posting all biannual reports on the website created by the office of regulatory management, in a searchable format.
- 14. If any provision of this section or its application to any person or circumstance is held invalid, such determination shall not affect the provisions or applications of this section which may be given effect without the invalid provision or application, and to that end the provisions of this section are severable.

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