

HB 1135 -- STATE ADMINISTRATIVE RULES REVIEW

SPONSOR: Smith (150)

COMMITTEE ACTION: Voted "do pass" by the Committee on Downsizing State Government by a vote of 12 to 1.

Upon the request by a state agency to the Joint Committee on Administrative Rules and the Secretary of State and after publication in the Missouri Register, this bill authorizes the Secretary of State to make non-substantive changes to the Code of State Regulations to update the agency's name, address, phone, or website information which are needed because of statutory changes or executive orders.

Within 60 days after receipt by an agency of a written petition filed by an individual requesting it to adopt, amend, or repeal a rule, the bill requires the agency to submit a written response to the petitioner and a copy of the response to the Joint Committee on Administrative Rules and the Commissioner of Administration containing its determination, along with a concise summary of the basis for its determination. If the agency determines that the rule merits amendment or rescission, it must initiate the applicable proceedings. The joint committee may refer comments or recommendations regarding the rule to the General Assembly for further action.

The bill specifies that any administrative rules filed by a state agency on or after August 28, 2012, must automatically terminate 10 years after its effective date. Any rule in effect on August 28, 2012, will expire as follows:

- (1) Rules which became effective on or before December 31, 1989, will expire June 30, 2015;
- (2) Rules which became effective between January 1, 1990, and December 31, 1995, will expire June 30, 2016;
- (3) Rules which became effective between January 1, 1996, and December 31, 2000, will expire June 30, 2017;
- (4) Rules which became effective between January 1, 2001, and December 31, 2005, will expire June 30, 2018;
- (5) Rules which became effective between January 1, 2006, and December 31, 2007, will expire June 30, 2019; and
- (6) Rules which became effective between January 1, 2008, and August 28, 2012, including all rules filed but not yet effective

as of August 28, 2012, will expire June 30, 2020.

If an agency wants to continue the effectiveness of a rule beyond its scheduled termination date, the agency must re-establish the rule at least once every 10 years.

For each rule, amendment, or repromulgation filed on or after August 28, 2012, the agency must review the rule to determine whether the rule continues to be necessary, considering the purpose, scope, and intent of the statute under which the rule was adopted; whether the rule is obsolete; whether the rule duplicates, overlaps, or conflicts with other rules or statutes; whether a less restrictive, more narrowly tailored or alternative rule could adequately protect the public to accomplish the same statutory purpose; whether the rule needs to be amended or rescinded to reduce regulatory burdens on individuals, businesses, or political subdivisions to eliminate unnecessary paperwork; and whether the rule incorporates a text or other material by reference and, if so, whether the text or material meets statutory requirements.

The Joint Committee on Administrative Rules must provide a report on a semi-annual basis to state departments and the Secretary of State and must post the information on its website detailing which rules are scheduled to terminate within two years of the date of the report. In no event must the inclusion or non-inclusion of a rule in a report affect the scheduled termination date of a rule. The state agency with authority to establish a rule must ultimately remain responsible for monitoring the effectiveness of its rules.

FISCAL NOTE: Estimated Net Cost on General Revenue Fund of \$0 in FY 2013, \$0 in FY 2014, and Unknown over \$100,000 in FY 2015. No impact on Other State Funds in FY 2013, FY 2014, and FY 2015.

PROPOSERS: Supporters say that the bill gives the Secretary of State the authority to make technical changes to rules. Currently, regulations do not sunset and this will be a step toward regulatory reform.

Testifying for the bill were Representative Smith (150); and National Federation of Independent Business.

OPPOSERS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say that it will identify rules that are obsolete or overly burdensome and remove them, update them, or take other action that is necessary. A more targeted approach that identifies the specific rules that need

review may allow for more thoughtful consideration of the action necessary.

Testifying on the bill was Office of Administration.