SENATE
STATE OF MINNESOTA
EIGHTY-SEVENTH LEGISLATURE

S.F. No. 261

1.1 A bill for an act

1.2 relating to regulatory reform; providing that certain rules take effect only

1.3 upon legislative approval; amending Minnesota Statutes 2010, section 14.19;

1.4 proposing coding for new law in Minnesota Statutes, chapter 14; repealing

1.5 Minnesota Statutes 2010, section 14.127.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. **[14.1271] LEGISLATIVE APPROVAL REQUIRED.**

1.8 Subdivision 1. **Cost thresholds.** An agency must determine if the annual cost

1.9 of complying with a proposed rule will exceed $10,000 for any person or entity in any

1.10 year after the rule takes effect.

1.11 Subd. 2. **Agency determination.** An agency must make the determination required

1.12 by subdivision 1 before the close of the hearing record, or before the agency submits the

1.13 record to the administrative law judge if there is no hearing. The administrative law judge

1.14 must review and approve or disapprove the agency determination under this section.

1.15 Subd. 3. **Legislative approval required.** If the agency determines that the cost

1.16 exceeds the threshold in subdivision 1, or if the administrative law judge disapproves the

1.17 agency's determination that the cost does not exceed the threshold in subdivision 1, the

1.18 rules may not take effect until the rules are approved by a law enacted after the agency

1.19 determination.

1.20 Subd. 4. **Exceptions.** (a) Subdivision 3 does not apply if the administrative law

1.21 judge approves an agency's determination that the legislature has appropriated money to

1.22 sufficiently fund the expected cost of the rule upon the people or entities proposed to

1.23 be regulated by the rule.

2.1 (b) Subdivision 3 does not apply if the administrative law judge approves an

2.2 agency's determination that the rule has been proposed pursuant to a specific federal

2.3 statutory or regulatory mandate.

2.4 (c) This section does not apply if the rule is adopted under section 14.388 or under

2.5 another law specifying that the rulemaking procedures of this chapter do not apply.

2.6 Subd. 5. **Severability.** If an administrative law judge determines that part of a

2.7 proposed rule exceeds the threshold specified in subdivision 1, but that a severable portion

2.8 of a proposed rule does not exceed the threshold in subdivision 1, the administrative law

2.9 judge may provide that the severable portion of the rule that does not exceed the threshold

2.10 may take effect without legislative approval.

2.11 Sec. 2. Minnesota Statutes 2010, section 14.19, is amended to read:

2.12 **14.19 DEADLINE TO COMPLETE RULEMAKING.**

2.13 Within 180 days after issuance of the administrative law judge's report or that of the

2.14 chief administrative law judge, the agency shall submit its notice of adoption, amendment,

2.15 or repeal to the State Register for publication. If the agency has not submitted its notice to

2.16 the State Register within 180 days, the rule is automatically withdrawn. The agency may

2.17 not adopt the withdrawn rules without again following the procedures of sections 14.05

2.18 to 14.28, with the exception of section 14.101, if the noncompliance is approved by the

2.19 chief administrative law judge. The agency shall report to the Legislative Coordinating

2.20 Commission, other appropriate committees of the legislature, and the governor its failure

2.21 to adopt rules and the reasons for that failure. The 180-day time limit of this section

2.22 does not include:

2.23 (1) any days used for review by the chief administrative law judge or the commission

2.24 if the review is required by law;

2.25 (2) days during which the rule cannot be adopted, because of votes by legislative

2.26 committees under section 14.126; or

2.27 (3) days during which the rule cannot be adopted because approval of the legislature

2.28 is required under section ~~14.127~~ 14.1271.

2.29 Sec. 3. **REPEALER.**

2.30 Minnesota Statutes 2010, section 14.127, is repealed.

2.31 Sec. 4. **EFFECTIVE DATE.**

2.32 This act is effective the day following final enactment, and applies to any rule for

2.33 which the hearing record has not closed before that date, or if there is not a public hearing,

3.1   for which the agency has not submitted the record to the administrative law judge before

3.2   that date.