

CHAPTER 303—S.F.No. 1583

An act relating to state government; setting state policy for regulatory rules and programs of agencies; regulating obsolete, unnecessary, or duplicative rules; providing notice of rulemaking action to the legislature; requiring a study; amending Minnesota Statutes 1997 Supplement, sections 14.05, subdivision 5; and 14.131; proposing coding for new law in Minnesota Statutes, chapter 14.

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

Section 1. **[14.002] STATE REGULATORY POLICY.**

The legislature recognizes the important and sensitive role for administrative rules in implementing policies and programs created by the legislature. However, the legislature finds that some regulatory rules and programs have become overly prescriptive and inflexible, thereby increasing costs to the state, local governments, and the regulated community and decreasing the effectiveness of the regulatory program. Therefore, whenever feasible, state agencies must develop rules and regulatory programs that emphasize superior achievement in meeting the agency's regulatory objectives and maximum flexibility for the regulated party and the agency in meeting those goals.

Sec. 2. Minnesota Statutes 1997 Supplement, section 14.05, subdivision 5, is amended to read:

Subd. 5. REVIEW AND REPEAL OF RULES. By December 1 of each year, an agency shall submit a list of all the rules of the agency to the governor, the legislative coordinating commission, the policy and funding committees and divisions with jurisdiction over the agency, and the revisor of statutes. The list must identify of any rules or portions of rules that are obsolete and should be repealed, unnecessary, or duplicative of other state or federal statutes or rules. The list must also include an explanation of why the rule or portion of the rule is obsolete and the agency's, unnecessary, or duplicative of other state or federal statutes or rules. By December 1, the agency must either report a timetable for repeal of the rule or portion of the rule, or must develop a bill for submission to the appropriate policy committee to repeal the obsolete, unnecessary, or duplicative rule. Such a bill must include proposed authorization to use the expedited procedures of section 14.389 to repeal or amend the obsolete, unnecessary, or duplicative rule. A report submitted under this subdivision must be signed by the person in the agency who is responsible for identifying and initiating repeal of obsolete rules. The report also must identify the status of any rules identified in the prior year's report as obsolete, unnecessary, or duplicative. If none of an agency's rules are obsolete, unnecessary, or duplicative, an agency's December 1 report must state that conclusion.

Sec. 3. **[14.116] NOTICE TO LEGISLATURE.**

When an agency mails notice of intent to adopt rules under section 14.14 or 14.22, the agency must make reasonable efforts to send a copy of the same notice and a copy of the statement of need and reasonableness to the following:

- (1) all people who are still legislators and who were main authors, or supporting authors, of the law granting the agency the statutory authority the agency relies upon as authority to adopt the proposed rule; and
- (2) the chairs of the legislative policy and budget committees with jurisdiction over the subject matter of the proposed rules.

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Sec. 4. Minnesota Statutes 1997 Supplement, section 14.131, is amended to read:

14.131 STATEMENT OF NEED AND REASONABLENESS.

Before the agency orders the publication of a rulemaking notice required by section 14.14, subdivision 1a, the agency shall must prepare, review, and make available for public review a statement of the need for and reasonableness of the rule. The statement of need and reasonableness must be prepared under rules adopted by the chief administrative law judge and must include the following to the extent the agency, through reasonable effort, can ascertain this information:

(1) a description of the classes of persons who probably will be affected by the proposed rule, including classes that will bear the costs of the proposed rule and classes that will benefit from the proposed rule;

(2) the probable costs to the agency and to any other agency of the implementation and enforcement of the proposed rule and any anticipated effect on state revenues;

(3) a determination of whether there are less costly methods or less intrusive methods for achieving the purpose of the proposed rule;

(4) a description of any alternative methods for achieving the purpose of the proposed rule that were seriously considered by the agency and the reasons why they were rejected in favor of the proposed rule;

(5) the probable costs of complying with the proposed rule; and

(6) an assessment of any differences between the proposed rule and existing federal regulations and a specific analysis of the need for and reasonableness of each difference.

For rules setting, adjusting, or establishing regulatory, licensure, or other charges for goods and services, the statement of need and reasonableness must include the comments and recommendations of the commissioner of finance and must address any fiscal and policy concerns raised during the review process, as required by section 16A.1285.

The statement must describe how the agency, in developing the rules, considered and implemented the legislative policy supporting performance-based regulatory systems set forth in section 14.002.

The statement must also describe the agency's efforts to provide additional notification to persons or classes of persons who may be affected by the proposed rule or must explain why these efforts were not made.

The agency shall must send a copy of the statement of need and reasonableness to the legislative reference library when it becomes available for public review.

Sec. 5. STUDY.

The legislative coordinating commission, or a subcommittee appointed by the commission, must report to the legislature by January 15, 1999, on broad statutory delegations of rulemaking authority to state agencies. The report must include proposed legislation to repeal or modify delegations of authority which the commission believes to be overly broad. The commission must notify appropriate policy committees of these overly broad delegations, and must encourage the committees to propose legislation with more specific delegations of authority. In its study, the commission must consider, among other

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delegation, the authority granted in the following sections of Minnesota Statutes: 16B.04, subdivision 1; 41A.04, subdivision 4; 45.023; 84.03; 103B.101, subdivision 7; 115B.28, subdivision 1; 116J.035, subdivision 2; 147.01, subdivision 3; 148.05; 148.08, subdivision 3; 148.191, subdivision 2; 148.53; 148B.20, subdivision 1; 148B.31; 150A.04, subdivision 5; 151.06, subdivision 1; 153.02; 154.24; 156.01, subdivision 3; 175.171; 179A.04, subdivision 3; 182.657; 216A.07, subdivision 5; 216B.08; 216C.02, subdivision 3; 223.19; 239.06; 256.975, subdivision 2; 268.0122, subdivision 5; 268.021; 270.06; 299J.04, subdivision 1; 299K.03, subdivision 5; 326.06; 326.18; 326.241, subdivision 2; 352.03, subdivision 4; 363.05, subdivision 1; 401.03; 462A.06; 611A.33; and 626.843, subdivision 1.

Presented to the governor March 17, 1998

Signed by the governor March 18, 1998, 4:20 p.m.

CHAPTER 304—S.F.No. 2041

An act relating to taxation; allowing the 1997 property tax rebate for prepayments of tax; amending Laws 1997, chapter 231, article 1, section 16, as amended.

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

Section 1. Laws 1997, chapter 231, article 1, section 16, as amended by Laws 1997, First Special Session chapter 5, section 35, and Laws 1997, Third Special Session chapter 3, section 11, is amended to read:

Sec. 16. PROPERTY TAX REBATE.

(a) A credit is allowed against the tax imposed under Minnesota Statutes, chapter 290, to an individual, other than as a dependent, as defined in sections 151 and 152 of the Internal Revenue Code, disregarding section 152(b)(3) of the Internal Revenue Code, equal to 20 percent of the qualified property tax paid in calendar year 1997 before January 1, 1998, for taxes assessed in 1996.

(b) For property owned and occupied by the taxpayer during 1997, qualified tax means property taxes payable as defined in Minnesota Statutes, section 290A.03, subdivision 13, assessed in 1996 and payable in 1997, except the requirement that the taxpayer own and occupy the property on January 2, 1997, does not apply. The credit is allowed only to the individual and spouse, if any, who paid the tax, whether directly, through an escrow arrangement, or under a contractual agreement for the purchase or sale of the property.

(c) For a renter, the qualified property tax means the amount of rent constituting property taxes under Minnesota Statutes, section 290A.03, subdivision 11, based on rent paid in 1997. If two or more renters could be claimants under Minnesota Statutes, chapter 290A with regard to the rent constituting property taxes, the rules under Minnesota Statutes, section 290A.03, subdivision 8, paragraph (f), applies to determine the amount of the credit for the individual.

(d) For an individual who both owned and rented principal residences in calendar year 1997, qualified taxes are the sum of the amounts under paragraphs (a) and (b).

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