During the first or second year of cooperation, and after approval of the plan by the board under section 465.83, a referendum on the question of combination must be conducted. The referendum must be on a date called by the governing bodies of the units that propose to combine. The referendum must be conducted according to the Minnesota Election Law, as defined in section 200.01. If the referendum fails, the same question or a modified question may be submitted the following year. If the referendum fails again, the same question may not be submitted. Referendums shall be conducted on the same date in all local government units.

Presented to the governor March 17, 2003

Signed by the governor March 19, 2003, 4:05 p.m.

CHAPTER 3-S.F.No. 61

An act relating to state government; specifying certain contents for a statement of need and reasonableness for proposed administrative rules; amending Minnesota Statutes 2002, section 14.131.

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

Section 1. Minnesota Statutes 2002, section 14.131, is amended to read:

14.131 STATEMENT OF NEED AND REASONABLENESS.

By the date of the section 14.14, subdivision 1a, notice, the agency 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, including the portion of the total costs that will be borne by identifiable categories of affected parties, such

New language is indicated by underline, deletions by strikeout.

as separate classes of governmental units, businesses, or individuals; and

(6) the probable costs or consequences of not adopting the proposed rule, including those costs or consequences borne by identifiable categories of affected parties, such as separate classes of government units, businesses, or individuals; and

(6) $(\underline{7})$ 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.

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 under section 14.14, subdivision 1a, 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 must send a copy of the statement of need and reasonableness to the legislative reference library when the notice of hearing is mailed under section 14.14, subdivision 1a.

Sec. 2. EFFECTIVE DATE.

Section 1 is effective July 1, 2003, and applies to a rulemaking proceeding for which notice of intent to adopt rules is published in the State Register on or after that date.

Presented to the governor March 20, 2003

Signed by the governor March 24, 2003, 9:30 a.m.

CHAPTER 4-H.F.No. 95

An act relating to commerce; eliminating an archaic prohibition on misrepresenting the size of certain items; repealing Minnesota Statutes 2002, section 325F.38.

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

Section 1. REPEALER.

Minnesota Statutes 2002, section 325F.38, is repealed.

Presented to the governor March 27, 2003

Signed by the governor March 31, 2003, 10:05 a.m.

New language is indicated by underline, deletions by strikeout.