

1.1 ..... moves to amend H.F. No. 2169, the second engrossment, as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. Minnesota Statutes 2010, section 14.05, subdivision 1, is amended to read:

1.4 Subdivision 1. **Authority to adopt original rules restricted.** (a) Each agency  
1.5 shall adopt, amend, suspend, or repeal its rules: (1) in accordance with the procedures  
1.6 specified in sections 14.001 to 14.69, and; (2) only pursuant to authority delegated by law;  
1.7 (3) only that are necessary to serve the public interest; and (4) in full compliance with  
1.8 its duties and obligations.

1.9 (b) If a law authorizing rules is repealed, the rules adopted pursuant to that law are  
1.10 automatically repealed on the effective date of the law's repeal unless there is another  
1.11 law authorizing the rules.

1.12 (c) Except as provided in section 14.06, sections 14.001 to 14.69 shall not be  
1.13 authority for an agency to adopt, amend, suspend, or repeal rules.

1.14 Sec. 2. Minnesota Statutes 2010, section 14.116, is amended to read:

1.15 **14.116 NOTICE TO LEGISLATURE.**

1.16 (a) By January 15 each year, each agency must submit its rulemaking docket  
1.17 maintained under section 14.366, and the official rulemaking record required under section  
1.18 14.365 for any rule adopted during the preceding calendar year, to the chairs and ranking  
1.19 minority members of the legislative policy and budget committees with jurisdiction over  
1.20 the subject matter of the proposed rule.

1.21 (b) When an agency mails notice of intent to adopt rules under section 14.14 or  
1.22 14.22, the agency must send a copy of the same notice and a copy of the statement of need  
1.23 and reasonableness to the chairs and ranking minority party members of the legislative  
1.24 policy and budget committees with jurisdiction over the subject matter of the proposed  
1.25 rules and to the Legislative Coordinating Commission.

2.1           (c) In addition, if the mailing of the notice is within two years of the effective date  
2.2 of the law granting the agency authority to adopt the proposed rules, the agency shall  
2.3 make reasonable efforts to send a copy of the notice and the statement to all sitting  
2.4 legislators who were chief house of representatives and senate authors of the bill granting  
2.5 the rulemaking authority. If the bill was amended to include this rulemaking authority,  
2.6 the agency shall make reasonable efforts to send the notice and the statement to the chief  
2.7 house of representatives and senate authors of the amendment granting rulemaking  
2.8 authority, rather than to the chief authors of the bill.

2.9           Sec. 3. Minnesota Statutes 2010, section 14.131, is amended to read:

2.10           **14.131 STATEMENT OF NEED AND REASONABLENESS.**

2.11           By the date of the section 14.14, subdivision 1a, notice, the agency must  
2.12 prepare, review, and make available for public review a statement of the need for and  
2.13 reasonableness of the rule. The statement of need and reasonableness must be prepared  
2.14 under rules adopted by the chief administrative law judge and must include the following  
2.15 to the extent the agency, through reasonable effort, can ascertain this information:

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

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

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

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

2.26           (5) the probable costs of complying with the proposed rule, including the portion  
2.27 of the total costs that will be borne by identifiable categories of affected parties, such as  
2.28 separate classes of governmental units, businesses, or individuals;

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

2.32           (7) an assessment of any differences between the proposed rule and existing federal  
2.33 regulations and a specific analysis of the need for and reasonableness of each difference;  
2.34 and

3.1 (8) an assessment of the cumulative effect of the rule with other federal and state  
3.2 regulations related to the specific purpose of the rule.

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

3.6 For purposes of clause (8), "cumulative effect" means the impact that results from  
3.7 incremental impact of the proposed rule in addition to other rules, regardless of what  
3.8 state or federal agency has adopted the other rules. Cumulative effects can result from  
3.9 individually minor but collectively significant rules adopted over a period of time.

3.10 The statement must also describe the agency's efforts to provide additional  
3.11 notification under section 14.14, subdivision 1a, to persons or classes of persons who may  
3.12 be affected by the proposed rule or must explain why these efforts were not made.

3.13 The agency must consult with the commissioner of management and budget to  
3.14 help evaluate the fiscal impact and fiscal benefits of the proposed rule on units of local  
3.15 government. The agency must send a copy of the statement of need and reasonableness  
3.16 to the Legislative Reference Library when the notice of hearing is mailed under section  
3.17 14.14, subdivision 1a.

3.18 Sec. 4. **REPORTS.**

3.19 By January 15, 2013, the Pollution Control Agency, Department of Natural  
3.20 Resources, Board of Water and Soil Resources, Environmental Quality Board, and  
3.21 Department of Agriculture must each report to the governor, the Legislative Coordinating  
3.22 Commission, and the policy and funding committees and divisions with jurisdiction over  
3.23 the agency. Each report must update information that was reported as required by Laws  
3.24 2000, chapter 469, section 4, subdivision 1. The reports from the Board of Water and Soil  
3.25 Resources and the Environmental Quality Board must include the information required by  
3.26 Laws 2000, chapter 469, section 4, subdivision 1."

3.27 Amend the title accordingly