

HOUSE RESEARCH

Bill Summary

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Subject: Legislative approval of administrative rules

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Overview

Provides that certain administrative rules take effect only after the rules are approved by law.

Section

1 Legislative approval required.

Subd. 1. Cost. Requires a state agency proposing rules to determine if the initial year's cost of complying with proposed rules will exceed \$25,000 for any one business that has less than 50 full-time employees or any one city that has less than ten full-time employees.

Subd. 2. ALJ review. Requires an administrative law judge to review and approve the agency determination made in subdivision 1.

Subd. 3. Legislative approval. If it is determined that the cost of the rules exceeds a threshold in subdivision 1, the rules do not take effect until approved by a law enacted after the agency determination.

Subd. 4. Exceptions. Specifies that legislative approval requirements do not apply: (a) if the legislature has appropriated money sufficient to fund the expected cost of the rule upon the business or city proposed to be regulated; (b) if the rule has been proposed pursuant to a specific federal mandate; (c) if the rule is adopted under the

Section

"good cause" exemption from rulemaking, or under a law specifying that chapter 14 rulemaking does not apply; (d) to Public Utilities Commission rules; or (e) if the governor waives application of the requirement for legislative approval (the governor's waiver can occur either before or after the rule would take effect but for the requirement of legislative approval.)

Subd. 5. Severability. Provides that if part of a rule exceeds a threshold in subdivision 1, but a severable part of the rule does not, the severable part that does not exceed the threshold can take effect without legislative approval.

2 **Deadline to complete rulemaking.** Under current law, an agency must complete rulemaking within 180 days after the administrative law judge issues a report on the rules. This section provides that the 180-day limit does not include days during which the rule cannot be adopted because legislative approval is required.

3 **Effective dates.** Sections 1 and 2 are effective July 1, 2005. Specifies how these sections apply to a bill in the middle of the rulemaking process on that date.