SUBSTITUTE FOR SENATE BILL NO. 877

A bill to amend 1969 PA 306, entitled
"Administrative procedures act of 1969,"
by amending the title and sections 5, 7, 7a, 8, 24, 25, 33, 36,
40, 41a, 42, 44, 45, 46, 47, 48, 52, 53, 55, 56, 57, 58, and 59
(MCL 24.205, 24.207, 24.207a, 24.208, 24.224, 24.225, 24.233,
24.236, 24.240, 24.241a, 24.242, 24.244, 24.245, 24.246, 24.247,
24.248, 24.252, 24.253, 24.255, 24.256, 24.257, 24.258, and
24.259), the title as amended by 1993 PA 7, sections 5, 24, 52,
and 56 as amended by 1982 PA 413, section 7 as amended by 1996
PA 489, sections 7a, 40, and 53 as added by 1984 PA 273, sections
8 and 57 as amended by 1988 PA 333, sections 42, 44, 45, and 46
as amended by 1993 PA 141, sections 48, 55, and 58 as amended by
1986 PA 292, and section 59 as amended by 1995 PA 178, and by
adding sections 28, 34, 39, 39a, 45a, and 54.

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THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 TITLE
- 2 An act to provide for the effect, processing, promulgation,
- 3 publication, and inspection of state agency rules, determina-
- 4 tions, and other matters; to provide for the printing, publish-
- 5 ing, and distribution of the Michigan register CERTAIN
- 6 PUBLICATIONS; to provide for state agency administrative proce-
- 7 dures and contested cases and appeals from contested cases in
- 8 licensing and other matters; TO CREATE AND ESTABLISH CERTAIN COM-
- 9 MITTEES AND OFFICES; to provide for declaratory judgments as to
- 10 rules; to repeal certain acts and parts of acts; and to repeal
- 11 certain parts of this act on a specific date.
- Sec. 5. (1) "License" includes the whole or part of an
- 13 agency permit, certificate, approval, registration, charter, or
- 14 similar form of permission required by law, but does not include
- 15 a license required solely for revenue purposes, or a license or
- 16 registration issued under Act No. 300 of the Public Acts of
- 17 1949, as amended, being sections 257.1 to 257.923 of the Michigan
- 18 Compiled Laws THE MICHIGAN VEHICLE CODE, 1949 PA 300, MCL 257.1
- **19** TO 257.923.
- 20 (2) "Licensing" includes agency activity involving the
- 21 grant, denial, renewal, suspension, revocation, annulment, with-
- 22 drawal, recall, cancellation, or amendment of a license.
- 23 (3) "Michigan register" means the publication described in
- 24 section 8.

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- 1 (4) "NOTICE OF OBJECTION" MEANS THE DOCUMENT ADOPTED BY THE
- 2 COMMITTEE THAT INDICATES THE COMMITTEE'S FORMAL OBJECTION TO A
- 3 PROPOSED RULE.
- 4 (5) (4) "Party" means a person or agency named, admitted,
- 5 or properly seeking and entitled of right to be admitted, as a
- 6 party in a contested case.
- 7 (6) (5) "Person" means an individual, partnership, associ-
- 8 ation, corporation, governmental subdivision, or public or pri-
- 9 vate organization of any kind other than the agency engaged in
- 10 the particular processing of a rule, declaratory ruling, or con-
- 11 tested case.
- 12 (7) "Processing of a rule" means the action required
- 13 or authorized by this act regarding a rule which is to be promul-
- 14 gated, including the rule's adoption, and ending with the rule's
- 15 promulgation.
- 16 (8) $\overline{(7)}$ "Promulgation of a rule" means that step in the
- 17 processing of a rule consisting of the filing of a rule with the
- 18 secretary of state.
- 19 Sec. 7. "Rule" means an agency regulation, statement, stan-
- 20 dard, policy, ruling, or instruction of general applicability
- 21 that implements or applies law enforced or administered by the
- 22 agency, or that prescribes the organization, procedure, or prac-
- 23 tice of the agency, including the amendment, suspension, or
- 24 rescission of the law enforced or administered by the agency.
- 25 Rule does not include any of the following:
- 26 (a) A resolution or order of the state administrative
- 27 board.

- 1 (b) A formal opinion of the attorney general.
- (c) A rule or order establishing or fixing rates ortariffs.
- 4 (d) A rule or order pertaining to game and fish and promul-
- 5 gated under part 411 (protection and preservation of fish, game,
- 6 and birds) PARTS 401, 411, AND 487 of the natural resources and
- 7 environmental protection act, Act No. 451 of the Public Acts of
- 8 1994, being sections 324.41101 to 324.41105 of the Michigan
- 9 Compiled Laws, part 487 (sport fishing) of Act No. 451 of the
- 10 Public Acts of 1994, being sections 324.48701 to 324.48740 of the
- 11 Michigan Compiled Laws, and part 401 (wildlife conservation) of
- 12 Act No. 451 of the Public Acts of 1994, being sections 324.40101
- 13 to 324.40119 of the Michigan Compiled Laws 1994 PA 451,
- 14 MCL 324.40101 TO 324.40119, 324.41101 TO 324.41105, AND 324.48701
- **15** TO 324.48740.
- 16 (e) A rule relating to the use of streets or highways, the
- 17 substance of which is indicated to the public by means of signs
- 18 or signals.
- 19 (f) A determination, decision, or order in a contested
- **20** case.
- 21 (g) An intergovernmental, interagency, or intra-agency memo-
- 22 randum, directive, or communication that does not affect the
- 23 rights of, or procedures and practices available to, the public.
- (h) A form with instructions, an interpretive statement, a
- 25 guideline, an informational pamphlet, or other material that in
- 26 itself does not have the force and effect of law but is merely
- 27 explanatory.

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- 1 (i) A declaratory ruling or other disposition of a
- 2 particular matter as applied to a specific set of facts
- 3 involved.
- 4 (j) A decision by an agency to exercise or not to exercise a
- 5 permissive statutory power, although private rights or interests
- 6 are affected.
- 7 (k) Unless another statute requires a rule to be promulgated
- 8 under this act, a rule or policy that only concerns the inmates
- 9 of a state correctional facility and does not directly affect
- 10 other members of the public, except that a rule that only con-
- 11 cerns inmates which was promulgated before December 4, 1986,
- 12 shall be considered a rule and shall remain in effect until
- 13 rescinded but shall not be amended. As used in this subdivision,
- 14 "state correctional facility" means a facility or institution
- 15 that houses an inmate population under the jurisdiction of the
- 16 department of corrections.
- 17 (1) All of the following, after final approval by the cer-
- 18 tificate of need commission or the statewide health coordinating
- 19 council under section 22215 or 22217 of the public health code,
- 20 Act No. 368 of the Public Acts of 1978, being sections 333.22215
- 21 and 333.22217 of the Michigan Compiled Laws 1978 PA 368,
- 22 MCL 333.22215 AND 333.22217:
- 23 (i) The designation, deletion, or revision of covered medi-
- 24 cal equipment and covered clinical services.
- 25 (ii) Certificate of need review standards.
- 26 (iii) Data reporting requirements and criteria for
- 27 determining health facility viability.

- 1 (iv) Standards used by the department of $\frac{1}{2}$ COMMUNITY
- 2 health in designating a regional certificate of need review
- 3 agency.
- $\mathbf{4}$ (v) The modification of the 100 licensed bed limitation for
- 5 short-term nursing care programs set forth in section 22210 of
- 6 Act No. 368 of the Public Acts of 1978, being section 333.22210
- 7 of the Michigan Compiled Laws THE PUBLIC HEALTH CODE, 1978
- 8 PA 368, MCL 333.22210.
- 9 (m) A policy developed by the family independence agency
- 10 under section 6(3) of the social welfare act, Act No. 280 of the
- 11 Public Acts of 1939, being section 400.6 of the Michigan Compiled
- 12 Laws 1939 PA 250, MCL 400.6, setting income and asset limits,
- 13 types of income and assets to be considered for eligibility, and
- 14 payment standards for administration of assistance programs under
- 15 that act.
- 16 (n) A policy developed by the family independence agency
- 17 under section 6(4) of Act No. 280 of the Public Acts of 1939,
- 18 being section 400.6 of the Michigan Compiled Laws THE SOCIAL
- 19 WELFARE ACT, 1939 PA 280, MCL 400.6, to implement requirements
- 20 that are mandated by federal statute or regulations as a condi-
- 21 tion of receipt of federal funds.
- 22 (o) Until the expiration of 12 months after the effective
- 23 date of this subdivision, a regulation issued by the family inde-
- 24 pendence agency under section 6(2) of Act No. 280 of the Public
- 25 Acts of 1939 setting standards and policies for the administra-
- 26 tion of programs under that act. Upon the expiration of 12
- 27 months after the effective date of this subdivision, regulations

- 1 described in this subdivision are not binding and effective
- 2 unless processed as emergency rules under section 48 or promul-
- 3 gated in accordance with this act. This subdivision does not
- 4 apply to policies permanently exempted under subdivisions (m) and
- 5 (n).
- 6 (0) (p) Beginning on the effective date of the amendatory
- 7 act that added this subdivision and until 3 years after that
- 8 date, the THE provisions of an agency's contract with a public
- 9 or private entity including, but not limited to, the provisions
- 10 of an agency's standard form contract.
- 11 (P) A POLICY DEVELOPED BY THE DEPARTMENT OF COMMUNITY HEALTH
- 12 UNDER THE AUTHORITY GRANTED IN SECTION 111A OF THE SOCIAL WELFARE
- 13 ACT, 1939 PA 280, MCL 400.111A, TO IMPLEMENT POLICIES AND PROCE-
- 14 DURES NECESSARY TO OPERATE ITS HEALTH CARE PROGRAMS IN ACCORDANCE
- 15 WITH AN APPROVED STATE PLAN OR IN COMPLIANCE WITH STATE STATUTE.
- Sec. 7a. $\frac{(1)}{(1)}$ "Small business" means a business concern
- 17 incorporated or doing business in this state, including the
- 18 affiliates of the business concern, which is independently owned
- 19 and operated and which employs fewer than 250 full-time employees
- 20 or which has gross annual sales of less than \$6,000,000.00.
- 21 (2) "Small business economic impact statement" means a
- 22 statement prepared by a state agency which meets the requirements
- 23 of section 45(3).
- 24 Sec. 8. (1) The legislative service bureau OFFICE OF
- 25 REGULATORY REFORM shall publish the Michigan register AT LEAST
- 26 ONCE each month. The Michigan register shall contain all of the
- 27 following:

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- 1 (a) Executive orders and executive reorganization orders.
- 2 (b) On a cumulative basis, the numbers and subject matter of
- 3 the enrolled senate and house bills signed into law by the gover-
- 4 nor during the calendar year and the corresponding public act
- 5 numbers.
- 6 (c) On a cumulative basis, the numbers and subject matter of
- 7 the enrolled senate and house bills vetoed by the governor during
- 8 the calendar year.
- **9** (d) Proposed administrative rules.
- 10 (e) Small business economic impact statements on proposed
- 11 rules as required by section 45.
- 12 (E) $\frac{f}{}$ Notices of public hearings on proposed administra-
- 13 tive rules.
- 14 (F) $\frac{(g)}{(g)}$ Administrative rules filed with the secretary of
- 15 state.
- 16 (G) (h) Emergency rules filed with the secretary of
- 17 state.
- 18 (H) (i) Notice of proposed and adopted agency guidelines.
- 19 (I) $\frac{(j)}{(j)}$ Other official information considered necessary or
- 20 appropriate by the legislative service bureau OFFICE OF REGULA-
- 21 TORY REFORM.
- 22 (J) $\frac{(k)}{(k)}$ Attorney general opinions.
- 23 (K) $\frac{(1)}{(1)}$ All of the items listed in section 7(1) after
- 24 final approval by the certificate of need commission or the
- 25 statewide health coordinating council under section 22215 or
- 26 22217 of the public health code, Act No. 368 of the Public Acts

- 1 of 1978, being sections 333.22215 and 333.22217 of the Michigan
- 2 Compiled Laws 1978 PA 368, MCL 333.22215 AND 333.22217.
- 3 (2) The legislative service bureau OFFICE OF REGULATORY
- 4 REFORM shall publish a cumulative index for the Michigan
- 5 register.
- 6 (3) The Michigan register shall be available for public sub-
- 7 scription at a fee reasonably calculated to cover publication and
- 8 distribution costs.
- 9 (4) If publication of an agency's proposed rule —, OR
- 10 guideline -, or small business economic impact statement or an
- 11 item described in subsection $\frac{(1)(1)}{(1)}$ (1)(K) would be unreason-
- 12 ably expensive or lengthy, the legislative service bureau
- 13 OFFICE OF REGULATORY REFORM may publish a brief synopsis of the
- 14 proposed rule -, OR guideline -, small business impact
- 15 statement, or item described in subsection $\frac{(1)(1)}{(1)}$ (1)(K),
- 16 including information on how to obtain a complete copy of the
- 17 proposed rule -, OR guideline -, small business impact
- 18 statement, or item described in subsection $\frac{(1)(1)}{(1)}$ (1)(K) from
- 19 the agency at no cost.
- 20 (5) An agency shall transmit a copy of the small business
- 21 economic impact statement, together with the applicable proposed
- 22 rules and notice of public hearing —, to the —legislative serv-
- 23 ice bureau OFFICE OF REGULATORY REFORM for publication in the
- 24 Michigan register.
- 25 Sec. 24. (1) Before the adoption of a guideline, an agency
- 26 shall give notice of the proposed guideline to the joint
- 27 committee, on administrative rules, the legislative service

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- 1 bureau, the office of the governor REGULATORY REFORM, and each
- 2 person who requested the agency in writing for advance notice of
- 3 proposed action which may affect the person. THE COMMITTEE SHALL
- 4 PROVIDE THE NOTICE OF THE PROPOSED GUIDELINE NOT LATER THAN THE
- 5 NEXT BUSINESS DAY AFTER RECEIPT OF THE NOTICE FROM THE AGENCY TO
- 6 MEMBERS OF THE COMMITTEE AND TO MEMBERS OF THE STANDING COMMIT-
- 7 TEES OF THE SENATE AND HOUSE OF REPRESENTATIVES THAT DEAL WITH
- 8 THE SUBJECT MATTER OF THE PROPOSED GUIDELINE. The notice shall be
- 9 given by mail, in writing, to the last address specified by the
- 10 person. A request for notice is renewable each December.
- 11 (2) The notice required by subsection (1) shall include all
- 12 of the following:
- 13 (a) A statement of the terms or substance of the proposed
- 14 guideline, a description of the subjects and issues involved, and
- 15 the proposed effective date of the guideline.
- 16 (b) A statement that the addressee may express any views or
- 17 arguments regarding the proposed guideline or the guideline's
- 18 effect on a person.
- 19 (c) The address to which written comments may be sent and
- 20 the date by which comments shall be mailed, which date shall not
- 21 be less than $\frac{60}{}$ 35 days from the date of the mailing of the
- 22 notice.
- 23 (d) A reference to the specific statutory provision about
- 24 which the proposed guideline states a policy.
- 25 Sec. 25. When adopted, a guideline is a public record.
- **26** Copies of guidelines shall be sent to the joint committee, on
- 27 administrative rules, the legislative service bureau, the office

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- 1 of the governor REGULATORY REFORM, and all persons who have
- 2 requested the agency in writing for advance notice of proposed
- 3 action which may affect them.
- 4 SEC. 28. (1) BEFORE THE ADOPTION OF A STANDARD FORM CON-
- 5 TRACT THAT WOULD HAVE BEEN CONSIDERED A RULE BUT FOR THE EXEMP-
- 6 TION FROM RULEMAKING UNDER SECTION 7(0) OR A POLICY EXEMPT FROM
- 7 RULEMAKING UNDER SECTION 7(P), AN AGENCY SHALL GIVE NOTICE OF THE
- 8 PROPOSED STANDARD FORM CONTRACT OR POLICY TO THE COMMITTEE AND
- 9 THE OFFICE OF REGULATORY REFORM. THE COMMITTEE SHALL PROVIDE A
- 10 COPY OF THE NOTICE NOT LATER THAN THE NEXT BUSINESS DAY AFTER
- 11 RECEIPT OF THE NOTICE FROM THE AGENCY TO MEMBERS OF THE COMMITTEE
- 12 AND TO MEMBERS OF THE STANDING COMMITTEES OF THE SENATE AND HOUSE
- 13 OF REPRESENTATIVES THAT DEAL WITH THE SUBJECT MATTER OF THE PRO-
- 14 POSED STANDARD FORM CONTRACT OR POLICY.
- 15 (2) THE NOTICE REQUIRED BY SUBSECTION (1) SHALL INCLUDE ALL
- 16 OF THE FOLLOWING:
- 17 (A) A STATEMENT OF THE TERMS OF SUBSTANCE OF THE PROPOSED
- 18 STANDARD FORM CONTRACT OR POLICY, A DESCRIPTION OF THE SUBJECTS
- 19 AND ISSUES INVOLVED, AND THE PROPOSED EFFECTIVE DATE OF THE STAN-
- 20 DARD FORM CONTRACT OR POLICY.
- 21 (B) A STATEMENT THAT THE ADDRESSEE MAY EXPRESS ANY VIEWS OR
- 22 ARGUMENTS REGARDING THE PROPOSED STANDARD FORM CONTRACT OR POLICY
- 23 OR THE STANDARD FORM CONTRACT'S OR POLICY'S EFFECT ON A PERSON.
- 24 (C) THE ADDRESS TO WHICH COMMENTS MAY BE SENT AND THE DATE
- 25 BY WHICH THE COMMENTS SHALL BE MAILED, WHICH DATE SHALL NOT BE
- 26 LESS THAN 35 DAYS FROM THE DATE OF THE MAILING OF THE NOTICE.

- 1 (D) A REFERENCE TO THE SPECIFIC STATUTORY PROVISION UNDER
- 2 WHICH THE STANDARD FORM CONTRACT OR POLICY IS ISSUED.
- 3 (3) IF THE VALUE OF A PROPOSED STANDARD FORM CONTRACT EXEMPT
- 4 FROM RULEMAKING UNDER SECTION 7(0) IS \$10,000,000.00 OR MORE, THE
- 5 NOTICE REQUIRED UNDER SUBSECTION (1) SHALL INCLUDE A COPY OF THE
- 6 PROPOSED STANDARD FORM CONTRACT. IF THE VALUE OF THE PROPOSED
- 7 STANDARD FORM CONTRACT EXEMPT FROM RULEMAKING UNDER SECTION 7(0)
- 8 IS LESS THAN \$10,000,000.00, THE DEPARTMENT SHALL PROVIDE A COPY
- 9 OF THE PROPOSED STANDARD FORM CONTRACT OR POLICY TO ANY LEGISLA-
- 10 TOR REQUESTING A COPY.
- 11 Sec. 33. (1) An agency shall promulgate rules describing
- 12 its organization and stating the general course and method of its
- 13 operations and may include therein forms with instructions.
- 14 Sections 41, and 42, 45, AND 45A do not apply to such rules.
- 15 (2) An agency shall promulgate rules prescribing its proce-
- 16 dures available to the public and the methods by which the public
- 17 may obtain information and submit requests.
- 18 (3) An agency may promulgate rules —, not inconsistent with
- 19 this act or other applicable statutes prescribing procedures
- 20 for contested cases.
- 21 SEC. 34. (1) THE OFFICE OF REGULATORY REFORM IS AN INDEPEN-
- 22 DENT AND AUTONOMOUS TYPE 1 AGENCY WITHIN THE DEPARTMENT OF MAN-
- 23 AGEMENT AND BUDGET. THE OFFICE OF REGULATORY REFORM HAS THE
- 24 POWERS AND DUTIES AS SET FORTH IN EXECUTIVE ORDER NO. 1995-6
- 25 (EXECUTIVE REORGANIZATION ORDER NO. 1995-5), MCL 10.151, AND
- 26 SHALL EXERCISE THE POWERS AND PERFORM THE DUTIES PRESCRIBED BY
- 27 SUBSECTION (2) INDEPENDENTLY OF THE PRINCIPAL EXECUTIVE

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- 1 DEPARTMENTS OF THIS STATE, INCLUDING, BUT NOT LIMITED TO,
- 2 PERSONNEL, BUDGETING, PROCUREMENT, AND MANAGEMENT-RELATED
- 3 FUNCTIONS.
- 4 (2) IN ADDITION TO ANY OTHER POWERS AND DUTIES DESCRIBED IN
- 5 SUBSECTION (1), THE OFFICE OF REGULATORY REFORM SHALL REVIEW PRO-
- 6 POSED RULES, COORDINATE PROCESSING OF RULES BY AGENCIES, WORK
- 7 WITH THE AGENCIES TO STREAMLINE THE RULE-MAKING PROCESS, AND CON-
- 8 SIDER EFFORTS DESIGNED TO IMPROVE PUBLIC ACCESS TO THE
- 9 RULE-MAKING PROCESS.
- 10 Sec. 36. The joint committee on administrative rules
- 11 OFFICE OF REGULATORY REFORM may prescribe procedures and stan-
- 12 dards not inconsistent with this act or other applicable statutes
- 13 —, for the drafting —, processing,— OF RULES, publication OF
- 14 REQUIRED NOTICES, and distribution of rules. THE OFFICE OF REGU-
- 15 LATORY REFORM MAY PRESCRIBE PROCEDURES AND STANDARDS NOT INCON-
- 16 SISTENT WITH THIS ACT OR OTHER APPLICABLE STATUTES FOR THE PRO-
- 17 CESSING OF RULES WITHIN THE EXECUTIVE BRANCH. The procedures and
- 18 standards shall be included in a manual which the legislative
- 19 service bureau OFFICE OF REGULATORY REFORM shall publish and
- 20 distribute in reasonable quantities to the state departments AND
- **21** THE COMMITTEE.
- 22 SEC. 39. (1) BEFORE INITIATING ANY CHANGES OR ADDITIONS TO
- 23 RULES, AN AGENCY SHALL FILE WITH THE OFFICE OF REGULATORY REFORM
- 24 A REQUEST FOR RULE-MAKING ON A FORM PRESCRIBED BY THE OFFICE OF
- 25 REGULATORY REFORM. THE REQUEST FOR RULE-MAKING SHALL INCLUDE THE
- 26 FOLLOWING:

- 1 (A) THE STATE OR FEDERAL STATUTORY OR REGULATORY BASIS FOR 2 THE RULE.
- 3 (B) THE PROBLEM THE RULE INTENDS TO ADDRESS.
- 4 (C) AN ASSESSMENT OF THE SIGNIFICANCE OF THE PROBLEM.
- 5 (2) AN AGENCY SHALL NOT PROCEED WITH THE PROCESSING OF A
- 6 RULE OUTLINED IN THIS CHAPTER UNLESS THE OFFICE OF REGULATORY
- 7 REFORM HAS APPROVED THE REQUEST FOR RULE-MAKING.
- 8 (3) THE OFFICE OF REGULATORY REFORM SHALL RECORD THE RECEIPT
- 9 OF ALL REQUESTS FOR RULE-MAKING ON THE INTERNET AND SHALL MAKE
- 10 COPIES OF APPROVED REQUESTS FOR RULE-MAKING AVAILABLE TO MEMBERS
- 11 OF THE GENERAL PUBLIC UPON REQUEST.
- 12 (4) THE OFFICE OF REGULATORY REFORM SHALL IMMEDIATELY MAKE
- 13 AVAILABLE TO THE COMMITTEE COPIES OF THE REQUEST FOR RULE-MAKING
- 14 APPROVED BY THE OFFICE OF REGULATORY REFORM. THE COMMITTEE SHALL
- 15 PROVIDE A COPY OF THE APPROVED REQUEST FOR RULE-MAKING, NOT LATER
- 16 THAN THE NEXT BUSINESS DAY AFTER RECEIPT OF THE NOTICE FROM THE
- 17 OFFICE OF REGULATORY REFORM, TO MEMBERS OF THE COMMITTEE AND TO
- 18 MEMBERS OF THE STANDING COMMITTEES OF THE SENATE AND HOUSE OF
- 19 REPRESENTATIVES THAT DEAL WITH THE SUBJECT MATTER OF THE PROPOSED
- 20 RULE.
- 21 SEC. 39A. (1) AN AGENCY MAY PUBLISH THE NOTICE OF HEARING
- 22 UNDER SECTION 42 ONLY IF THE OFFICE OF REGULATORY REFORM HAS
- 23 RECEIVED DRAFT PROPOSED RULES AND HAS GIVEN THE AGENCY APPROVAL
- 24 TO PROCEED WITH A PUBLIC HEARING.
- 25 (2) AFTER A GRANT OF APPROVAL TO HOLD A PUBLIC HEARING BY
- 26 THE OFFICE OF REGULATORY REFORM UNDER SUBSECTION (1), THE OFFICE
- 27 OF REGULATORY REFORM SHALL IMMEDIATELY PROVIDE A COPY OF THE

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- 1 PROPOSED RULES TO THE COMMITTEE. THE COMMITTEE SHALL PROVIDE A
- 2 COPY OF THE PROPOSED RULES, NOT LATER THAN THE NEXT BUSINESS DAY
- 3 AFTER RECEIPT OF THE NOTICE FROM THE OFFICE OF REGULATORY REFORM,
- 4 TO MEMBERS OF THE COMMITTEE AND TO MEMBERS OF THE STANDING COM-
- 5 MITTEES OF THE SENATE AND HOUSE OF REPRESENTATIVES THAT DEAL WITH
- 6 THE SUBJECT MATTER OF THE PROPOSED RULE.
- 7 Sec. 40. (1) When an agency proposes to adopt a rule
- 8 which THAT will apply to a small business —, and the small
- 9 business economic impact statement discloses that the rule will
- 10 have a disproportionate impact on small businesses because of the
- 11 size of those businesses, the agency proposing to adopt the rule
- 12 shall reduce the economic impact of the rule on small businesses
- 13 by doing 1 or more of the following when it is lawful and feasi-
- 14 ble in meeting the objectives of the act authorizing the promul-
- 15 gation of the rule:
- 16 (a) Establish differing compliance or reporting requirements
- 17 or timetables for small businesses under the rule.
- 18 (b) Consolidate or simplify the compliance and reporting
- 19 requirements for small businesses under the rule.
- 20 (c) Establish performance rather than design standards, when
- 21 appropriate.
- 22 (d) Exempt small businesses from any or all of the require-
- 23 ments of the rule.
- 24 (2) If appropriate in reducing the disproportionate economic
- 25 impact on small business of a rule as provided in subsection (1),
- 26 an agency may use the following classifications of small
- 27 business:

- 1 (a) 0-9 full-time employees.
- 2 (b) 10-49 full-time employees.
- 3 (c) 50-249 full-time employees.
- 4 (3) For purposes of subsection (2), an agency may include a
- 5 small business with a greater number of full-time employees in a
- 6 classification that applies to a business with fewer full-time
- 7 employees.
- **8** (4) This section and section 45(3) shall DO not apply to a
- 9 rule which is required by federal law and which an agency promul-
- 10 gates without imposing standards more stringent than those
- 11 required by the federal law.
- 12 Sec. 41a. A member of the legislature may annually submit a
- 13 written request to the -legislative service bureau OFFICE OF
- 14 REGULATORY REFORM requesting that a copy of all proposed rules or
- 15 changes in rules, or any designated proposed rules or changes in
- 16 rules submitted to the -legislative service bureau OFFICE OF
- 17 REGULATORY REFORM for its approval, be transmitted to the
- 18 requesting member upon receipt of the same by the <a>-legislative
- 19 service bureau OFFICE OF REGULATORY REFORM.
- Sec. 42. (1) Except as provided in section 44, at a mini-
- 21 mum, an agency shall publish the notice of public hearing as pre-
- 22 scribed in any applicable statute —, or, if none, the agency
- 23 shall publish the notice not less than 10 days and not more than
- 24 60 days before the date of the public hearing in at least 3 news-
- 25 papers of general circulation in different parts of the state, 1
- 26 of which shall be in the Upper Peninsula.

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- 1 (2) Additional methods that may be employed by the agency,
- 2 depending upon the circumstances, include publication in trade,
- 3 industry, governmental, or professional publications.
- 4 (3) In addition to the requirements of subsection (1), the
- 5 agency shall submit a copy of the notice OF PUBLIC HEARING to the
- 6 legislative service bureau OFFICE OF REGULATORY REFORM for pub-
- 7 lication in the Michigan register. An agency's notice shall be
- 8 published in the Michigan register not less than 30 days and not
- 9 more than 90 days before the public hearing AND THE AGENCY SHALL
- 10 FILE A COPY OF THE NOTICE OF PUBLIC HEARING WITH THE OFFICE OF
- 11 REGULATORY REFORM. WITHIN 7 DAYS AFTER RECEIPT OF THE NOTICE OF
- 12 PUBLIC HEARING, THE OFFICE OF REGULATORY REFORM SHALL DO ALL OF
- 13 THE FOLLOWING BEFORE THE PUBLIC HEARING:
- 14 (A) FORWARD A COPY OF THE NOTICE OF PUBLIC HEARING TO THE
- 15 COMMITTEE.
- 16 (B) PROVIDE NOTICE ELECTRONICALLY THROUGH PUBLICLY ACCESSI-
- 17 BLE INTERNET MEDIA.
- 18 (4) AFTER THE OFFICE OF REGULATORY REFORM FORWARDS A COPY OF
- 19 THE NOTICE OF PUBLIC HEARING TO THE COMMITTEE, THE COMMITTEE
- 20 SHALL SEND COPIES OF THE NOTICE OF PUBLIC HEARING, NOT LATER THAN
- 21 THE NEXT BUSINESS DAY AFTER RECEIPT OF THE NOTICE FROM THE OFFICE
- 22 OF REGULATORY REFORM, TO EACH MEMBER OF THE COMMITTEE AND TO THE
- 23 MEMBERS OF THE STANDING COMMITTEES OF THE SENATE AND HOUSE OF
- 24 REPRESENTATIVES THAT DEAL WITH THE SUBJECT MATTER OF THE PROPOSED
- **25** RULE.
- 26 (5) AFTER RECEIPT OF THE NOTICE OF PUBLIC HEARING FILED
- 27 UNDER SUBSECTION (3), THE COMMITTEE MAY MEET TO CONSIDER THE

- 1 PROPOSED RULE, TAKE TESTIMONY, AND PROVIDE THE AGENCY WITH THE
- 2 COMMITTEE'S INFORMAL RESPONSE TO THE RULE.
- 3 Sec. 44. (1) Sections 41 and 42 do not apply to an amend-
- 4 ment or rescission of a rule that is obsolete or superseded, or
- 5 that is required to make obviously needed corrections to make the
- 6 rule conform to an amended or new statute or to accomplish any
- 7 other solely formal purpose, if a statement to that effect is
- 8 included in the legislative service bureau certificate of
- 9 approval of the rule.
- 10 (2) Sections 41 and 42 do not apply to a rule that is
- 11 promulgated under the Michigan occupational safety and health
- 12 act, Act No. 154 of the Public Acts of 1974, being sections
- 13 408.1001 to 408.1094 of the Michigan Compiled Laws 1974 PA 154,
- 14 MCL 408.1001 TO 408.1094, that is substantially similar to an
- 15 existing federal standard that has been adopted or promulgated
- 16 under the occupational safety and health act of 1970, Public Law
- 17 91-596, 84 Stat. 1590. However, notice of the proposed rule
- 18 shall be published in the Michigan register at least $\frac{-60}{}$ 35 days
- 19 before the submission of the rule to the secretary of state pur-
- 20 suant to section 46(4). A reasonable period, not to exceed $\frac{30}{100}$
- 21 21 days, shall be provided for the submission of written comments
- 22 and views following publication in the Michigan register.
- 23 (3) For purposes of subsection (2), "substantially similar"
- 24 means identical, with the exception of style or format differ-
- 25 ences needed to conform to this or other state laws, as deter-
- 26 mined by the department of attorney general OFFICE OF
- 27 REGULATORY REFORM pursuant to section 45(1).

- 1 Sec. 45. (1) IF APPROVED BY THE OFFICE OF REGULATORY
- 2 REFORM, THE AGENCY MAY SUBMIT THE PROPOSED RULE TO THE LEGISLA-
- 3 TIVE SERVICE BUREAU FOR ITS FORMAL CERTIFICATION. The legislative
- 4 service bureau promptly shall approve a proposed rule if the
- 5 legislative service bureau IT considers the proposed rule to be
- 6 proper as to all matters of form, classification, AND
- 7 arrangement. and numbering. The department of attorney general
- 8 promptly shall OFFICE OF REGULATORY REFORM MAY approve a pro-
- 9 posed rule if the department IT considers the proposed rule to
- 10 be legal.
- 11 (2) Except as provided in subsection $\frac{(13)}{(6)}$, after
- 12 publication of the proposed rule in the Michigan register and
- 13 after notice is given as provided in this act and before the
- 14 agency proposing the rule has formally adopted the rule, the
- 15 agency SHALL PREPARE AN AGENCY REPORT CONTAINING A SYNOPSIS OF
- 16 THE COMMENTS CONTAINED IN THE PUBLIC HEARING RECORD AND SHALL
- 17 DESCRIBE ANY CHANGES IN THE PROPOSED RULES THAT WERE MADE BY THE
- 18 AGENCY AFTER THE PUBLIC HEARING. THE OFFICE OF REGULATORY REFORM
- 19 shall transmit by letter to the committee copies of the rule,
- 20 bearing THE AGENCY REPORTS, AND certificates of approval from
- 21 the legislative service bureau and the department of attorney
- 22 general and copies of the rule without certificates OFFICE OF
- 23 REGULATORY REFORM. THE NUMBER OF COPIES TRANSMITTED SHALL BE THE
- 24 NUMBER REQUIRED IN THE COMMITTEE PROCEDURES AND STANDARDS BUT NOT
- 25 TO EXCEED 12 COPIES. The agency transmittal shall be received
- 26 by TRANSMIT TO the committee THE DOCUMENTS DESCRIBED IN THIS
- 27 SUBSECTION within -2 years 1 YEAR after the date of the last

- 1 public hearing on the proposed rule unless the proposed rule is a
- 2 resubmission under subsection (11) SECTION 45A(7). The
- 3 (3) EXCEPT FOR A RULE PROMULGATED UNDER SECTIONS 33, 44, AND
- 4 48, THE agency shall PREPARE AND include with the letter of
- 5 transmittal a regulatory impact statement on a 1-page form pro-
- 6 vided by the committee. The statement shall provide estimates of
- 7 the impact of the proposed rules upon CONTAINING all of the fol-
- 8 lowing INFORMATION:
- 9 (a) The revenues, expenditures, and paper work requirements
- 10 of the agency proposing the rule.
- 11 (b) The revenues and expenditures of any other state or
- 12 local government agency affected by the proposed rule.
- (c) The taxpayers, consumers, industry or trade groups,
- 14 small business, or other applicable groups affected by the pro-
- 15 posed rule.
- 16 (3) Except as provided in subsection (13) and section 40(4),
- 17 if the regulatory impact statement discloses an impact on small
- 18 businesses, the agency shall include with the letter of transmit-
- 19 tal a small business economic impact statement in a form pre-
- 20 scribed by the committee. A small business economic impact
- 21 statement shall contain all of the following with respect to the
- 22 proposed rules:
- 23 (a) The nature of any reports and the estimated cost of
- 24 their preparation by small businesses that would be required to
- 25 comply with the proposed rules.

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- 1 (b) An analysis of the costs of compliance for all small
- 2 businesses affected by the proposed rules, including costs of
- 3 equipment, supplies, labor, and increased administrative costs.
- 4 (c) The nature and estimated cost of any legal, consulting,
- 5 and accounting services that small businesses would incur in com-
- 6 plying with the proposed rules.
- 7 (d) A statement regarding whether the proposed rules will
- 8 have a disproportionate impact on small businesses because of the
- 9 size of those businesses.
- (e) The ability of small businesses to absorb the costs
- 11 estimated under subdivisions (a) to (c) without suffering eco-
- 12 nomic harm and without adversely affecting competition in the
- 13 marketplace.
- 14 (f) The cost, if any, to the agency of administering or
- 15 enforcing a rule that exempts or sets lesser standards for com-
- 16 pliance by small businesses.
- 17 (g) The impact on the public interest of exempting or set-
- 18 ting lesser standards of compliance for small businesses.
- 19 (h) A statement regarding the manner in which the agency
- 20 reduced the economic impact of the rule on small businesses as
- 21 required under section 40, or a statement regarding the reasons
- 22 such a reduction was not feasible.
- 23 (i) A statement regarding whether and how the agency has
- 24 involved small businesses in the development of the rule.
- 25 (4) In order to obtain cost information for purposes of sub-
- 26 section (3), an agency may survey a representative sample of

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- 1 affected small businesses or trade associations or may adopt any
- 2 other means considered appropriate by the agency.
- 3 (5) The agency shall transmit a copy of the small business
- 4 economic impact statement to the director of commerce at the same
- 5 time as required in subsection (3) for transmittal to the
- 6 committee. The director of commerce shall review the statement
- 7 and within 30 days after receipt shall notify the committee of
- 8 any additional information pertinent to the committee's review.
- 9 (6) After receipt by the committee of the agency's letter of
- 10 transmittal, the committee has 2 months in which to consider the
- 11 rule. If the committee by a majority vote determines that added
- 12 time is needed to consider proposed rules, the committee may
- 13 extend the time it has to consider a particular proposed rule by
- 14 1 month to a total of not longer than 3 months. This subsection,
- 15 subsections (2) to (5), and subsections (7) to (12) do not apply
- 16 to an emergency rule.
- 17 (A) A COMPARISON OF THE PROPOSED RULE TO PARALLEL FEDERAL
- 18 RULES OR STANDARDS SET BY A STATE OR NATIONAL LICENSING AGENCY OR
- 19 ACCREDITATION ASSOCIATION, IF ANY EXIST.
- 20 (B) AN IDENTIFICATION OF THE BEHAVIOR AND FREQUENCY OF
- 21 BEHAVIOR THAT THE RULE IS DESIGNED TO ALTER.
- 22 (C) AN IDENTIFICATION OF THE HARM RESULTING FROM THE BEHAV-
- 23 IOR THAT THE RULE IS DESIGNED TO ALTER AND THE LIKELIHOOD THAT
- 24 THE HARM WILL OCCUR IN THE ABSENCE OF THE RULE.
- 25 (D) AN ESTIMATE OF THE CHANGE IN THE FREQUENCY OF THE TAR-
- 26 GETED BEHAVIOR EXPECTED FROM THE RULE.

23

- 1 (E) AN IDENTIFICATION OF THE BUSINESSES, GROUPS, OR
- 2 INDIVIDUALS WHO WILL BE DIRECTLY AFFECTED BY, BEAR THE COST OF,
- 3 OR DIRECTLY BENEFIT FROM THE RULE.
- 4 (F) AN IDENTIFICATION OF ANY REASONABLE ALTERNATIVES TO REG-
- 5 ULATION PURSUANT TO THE PROPOSED RULE THAT WOULD ACHIEVE THE SAME
- 6 OR SIMILAR GOALS.
- 7 (G) A DISCUSSION OF THE FEASIBILITY OF ESTABLISHING A REGU-
- 8 LATORY PROGRAM SIMILAR TO THAT PROPOSED IN THE RULE THAT WOULD
- 9 OPERATE THROUGH MARKET-BASED MECHANISMS.
- 10 (H) AN ESTIMATE OF THE COST OF RULE IMPOSITION ON THE AGENCY
- 11 PROMULGATING THE RULE.
- 12 (I) AN ESTIMATE OF THE ACTUAL STATEWIDE COMPLIANCE COSTS OF
- 13 THE PROPOSED RULE ON INDIVIDUALS.
- 14 (J) AN ESTIMATE OF THE ACTUAL STATEWIDE COMPLIANCE COSTS OF
- 15 THE PROPOSED RULE ON BUSINESSES AND OTHER GROUPS.
- 16 (K) AN IDENTIFICATION OF ANY DISPROPORTIONATE IMPACT THE
- 17 PROPOSED RULE MAY HAVE ON SMALL BUSINESSES BECAUSE OF THEIR
- **18** SIZE.
- 19 (1) AN IDENTIFICATION OF THE NATURE OF ANY REPORT AND THE
- 20 ESTIMATED COST OF ITS PREPARATION BY SMALL BUSINESS REQUIRED TO
- 21 COMPLY WITH THE PROPOSED RULE.
- 22 (M) AN ANALYSIS OF THE COSTS OF COMPLIANCE FOR ALL SMALL
- 23 BUSINESSES AFFECTED BY THE PROPOSED RULE, INCLUDING COSTS OF
- 24 EQUIPMENT, SUPPLIES, LABOR, AND INCREASED ADMINISTRATIVE COSTS.
- 25 (N) AN IDENTIFICATION OF THE NATURE AND ESTIMATED COST OF
- 26 ANY LEGAL CONSULTING AND ACCOUNTING SERVICES THAT SMALL
- 27 BUSINESSES WOULD INCUR IN COMPLYING WITH THE PROPOSED RULE.

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- 1 (O) AN ESTIMATE OF THE ABILITY OF SMALL BUSINESSES TO ABSORB
- 2 THE COSTS ESTIMATED UNDER SUBDIVISIONS (1) THROUGH (N) WITHOUT
- 3 SUFFERING ECONOMIC HARM AND WITHOUT ADVERSELY AFFECTING COMPETI-
- 4 TION IN THE MARKETPLACE.
- 5 (P) AN ESTIMATE OF THE COST, IF ANY, TO THE AGENCY OF ADMIN-
- 6 ISTERING OR ENFORCING A RULE THAT EXEMPTS OR SETS LESSER STAN-
- 7 DARDS FOR COMPLIANCE BY SMALL BUSINESSES.
- 8 (Q) AN IDENTIFICATION OF THE IMPACT ON THE PUBLIC INTEREST
- 9 OF EXEMPTING OR SETTING LESSER STANDARDS OF COMPLIANCE FOR SMALL
- 10 BUSINESSES.
- 11 (R) A STATEMENT DESCRIBING THE MANNER IN WHICH THE AGENCY
- 12 REDUCED THE ECONOMIC IMPACT OF THE RULE ON SMALL BUSINESSES OR A
- 13 STATEMENT DESCRIBING THE REASONS SUCH A REDUCTION WAS NOT
- 14 FEASIBLE.
- 15 (S) A STATEMENT DESCRIBING WHETHER AND HOW THE AGENCY HAS
- 16 INVOLVED SMALL BUSINESSES IN THE DEVELOPMENT OF THE RULE.
- 17 (T) AN ESTIMATE OF THE PRIMARY AND DIRECT BENEFITS OF THE
- **18** RULE.
- 19 (U) AN ESTIMATE OF ANY COST REDUCTIONS TO BUSINESSES, INDI-
- 20 VIDUALS, GROUPS OF INDIVIDUALS, OR GOVERNMENTAL UNITS AS A RESULT
- 21 OF THE RULE.
- 22 (V) AN ESTIMATE OF ANY INCREASE IN REVENUES TO STATE OR
- 23 LOCAL GOVERNMENTAL UNITS AS A RESULT OF THE RULE.
- 24 (W) AN ESTIMATE OF ANY SECONDARY OR INDIRECT BENEFITS OF THE
- **25** RULE.
- 26 (X) AN IDENTIFICATION OF THE SOURCES THE AGENCY RELIED UPON
- 27 IN COMPILING THE REGULATORY IMPACT STATEMENT.

- 1 (Y) ANY OTHER INFORMATION REQUIRED BY THE OFFICE OF
- 2 REGULATORY REFORM.
- 3 (4) THE AGENCY SHALL TRANSMIT THE REGULATORY IMPACT STATE-
- 4 MENT REQUIRED UNDER SUBSECTION (3) TO THE OFFICE OF REGULATORY
- 5 REFORM AT LEAST 28 DAYS BEFORE THE PUBLIC HEARING REQUIRED PURSU-
- 6 ANT TO SECTION 42. BEFORE THE PUBLIC HEARING CAN BE HELD, THE
- 7 REGULATORY IMPACT STATEMENT MUST BE APPROVED BY THE OFFICE OF
- 8 REGULATORY REFORM. THE AGENCY SHALL ALSO TRANSMIT A COPY OF THE
- 9 REGULATORY IMPACT STATEMENT TO THE COMMITTEE BEFORE THE PUBLIC
- 10 HEARING AND THE AGENCY SHALL MAKE COPIES AVAILABLE TO THE PUBLIC
- 11 AT THE PUBLIC HEARING.
- 12 (5) -(7) The committee shall furnish the senate fiscal
- 13 agency and the house fiscal agency with a copy of each rule and
- 14 regulatory impact statement filed with the committee, as well as
- 15 a copy of the agenda identifying the proposed rules to be consid-
- 16 ered by the committee. The senate fiscal agency and the house
- 17 fiscal agency shall analyze each proposed rule for possible
- 18 fiscal implications which, if adopted, would result in additional
- 19 appropriations in the current fiscal year or commit the legisla-
- 20 ture to an appropriation in a future fiscal year. The senate
- 21 fiscal agency and the house fiscal agency shall report their
- 22 findings in writing to the senate and house appropriations com-
- 23 mittees and to the committee before the date of consideration of
- 24 the proposed rule by the committee.
- 25 (8) If the committee approves the proposed rule within the
- 26 time period provided by subsection (6), the committee shall
- 27 attach a certificate of its approval to all copies of the rule

Senate Bill No. 877 1 bearing certificates except 1 and transmit those copies to the 2 agency. (9) If, within the time period provided by subsection (6), 3 4 the committee disapproves the proposed rule or the committee 5 chairperson certifies an impasse after votes for approval and 6 disapproval have failed to receive concurrent majorities, the 7 committee shall immediately report that fact to the legislature 8 and return the rule to the agency. The agency shall not adopt or 9 promulgate the rule unless 1 of the following occurs: 10 (a) The legislature adopts a concurrent resolution approving 11 the rule within 60 days after the committee report has been 12 received by, and read into the respective journal of, each 13 house. 14 (b) The committee subsequently approves the rule. (10) If the time permitted by this section expires and the 15 16 committee has not taken action under either subsection (8) or 17 (9), then the committee shall return the proposed rules to the 18 agency. The chairperson and alternate chairperson shall cause 19 concurrent resolutions approving the rule to be introduced in

21 legislature shall place the concurrent resolution directly on its
22 calendar. The agency shall not adopt or promulgate the rule
23 unless 1 of the following occurs:

20 both houses of the legislature simultaneously. Each house of the

24 (a) The legislature adopts a concurrent resolution approving
25 the rule within 60 days after introduction by record roll call
26 vote. The adoption of the concurrent resolution requires a

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- 1 majority of the members elected to and serving in each house of
- 2 the legislature.
- 3 (b) The agency resubmits the proposed rule to the committee
- 4 and the committee approves the rule within the time permitted by
- 5 this section.
- 6 (11) An agency may withdraw a proposed rule by leave of the
- 7 committee. An agency may resubmit a rule so withdrawn or
- 8 returned under subsection (9) with changes following a committee
- 9 meeting on the proposed rule or with minor modifications. A
- 10 resubmitted rule is a new filing and subject to this section, but
- 11 is not subject to further notice and hearing as provided in sec-
- 12 tions 41 and 42.
- 13 (12) If the committee approves the proposed rule within the
- 14 time period provided by subsection (6), or the legislature adopts
- 15 a concurrent resolution approving the rule, the agency, if it
- 16 wishes to proceed, shall formally adopt the rule pursuant to any
- 17 applicable statute and make a written record of the adoption.
- 18 Certificates of approval and adoption shall be attached to at
- 19 least 6 copies of the rule.
- 20 (6) $\frac{(13)}{(13)}$ Subsections (2), $\frac{\text{through (12)}}{(12)}$ (3), AND (4) do
- 21 not apply to a rule that is promulgated under the Michigan occu-
- 22 pational safety and health act, Act No. 154 of the Public Acts of
- 23 1974, being sections 408.1001 to 408.1094 of the Michigan
- 24 Compiled Laws, that is substantially similar to an existing fed-
- 25 eral standard that has been adopted or promulgated under the
- 26 occupational safety and health act of 1970, Public Law 91-596, 84
- 27 Stat. 1590 SECTIONS 33, 44, AND 48.

- 1 SEC. 45A. (1) EXCEPT AS OTHERWISE PROVIDED FOR IN
- 2 SUBSECTIONS (7) AND (8), AFTER RECEIPT BY THE COMMITTEE OF THE
- 3 LETTER OF TRANSMITTAL SPECIFIED IN SECTION 45(2), THE COMMITTEE
- 4 HAS 21 CALENDAR DAYS IN WHICH TO CONSIDER THE RULE AND TO OBJECT
- 5 TO THE RULE BY FILING A NOTICE OF OBJECTION APPROVED BY A CONCUR-
- 6 RENT MAJORITY OF THE COMMITTEE MEMBERS. A NOTICE OF OBJECTION
- 7 MAY ONLY BE APPROVED BY THE COMMITTEE IF THE COMMITTEE AFFIRMA-
- 8 TIVELY DETERMINES BY A CONCURRENT MAJORITY THAT 1 OR MORE OF THE
- 9 FOLLOWING CONDITIONS EXIST:
- 10 (A) THE AGENCY LACKS STATUTORY AUTHORITY FOR THE RULE.
- 11 (B) THE AGENCY IS EXCEEDING THE STATUTORY SCOPE OF ITS
- 12 RULE-MAKING AUTHORITY.
- 13 (C) THERE EXISTS AN EMERGENCY RELATING TO THE PUBLIC HEALTH,
- 14 SAFETY, AND WELFARE THAT WOULD WARRANT DISAPPROVAL OF THE RULE.
- 15 (D) THE RULE IS IN CONFLICT WITH STATE LAW.
- 16 (E) A SUBSTANTIAL CHANGE IN CIRCUMSTANCES HAS OCCURRED SINCE
- 17 ENACTMENT OF THE LAW UPON WHICH THE PROPOSED RULE IS BASED.
- 18 (F) THE RULE IS ARBITRARY OR CAPRICIOUS.
- 19 (G) THE RULE IS UNDULY BURDENSOME TO THE PUBLIC OR TO A
- 20 LICENSEE LICENSED BY THE RULE.
- 21 (2) IF THE COMMITTEE DOES NOT FILE A NOTICE OF OBJECTION
- 22 WITHIN THE TIME PERIOD PRESCRIBED IN SUBSECTION (1), THE OFFICE
- 23 OF REGULATORY REFORM MAY IMMEDIATELY FILE THE RULE WITH THE SEC-
- 24 RETARY OF STATE. THE RULE SHALL TAKE EFFECT 7 DAYS AFTER THE
- 25 DATE OF ITS FILING UNLESS A LATER DATE IS INDICATED WITHIN THE
- 26 RULE.

- 1 (3) IF THE COMMITTEE FILES A NOTICE OF OBJECTION WITHIN THE
- 2 TIME PERIOD PRESCRIBED IN SUBSECTION (1), THE COMMITTEE CHAIR AND
- 3 ALTERNATE CHAIR SHALL CAUSE BILLS TO BE INTRODUCED IN BOTH HOUSES
- 4 OF THE LEGISLATURE SIMULTANEOUSLY. EACH HOUSE SHALL PLACE THE
- 5 BILLS DIRECTLY ON ITS CALENDAR. THE BILLS SHALL CONTAIN 1 OR
- 6 MORE OF THE FOLLOWING:
- 7 (A) A RESCISSION OF A RULE UPON ITS EFFECTIVE DATE.
- 8 (B) A REPEAL OF THE STATUTORY PROVISION UNDER WHICH THE RULE
- 9 WAS AUTHORIZED.
- 10 (C) A BILL STAYING THE EFFECTIVE DATE OF THE PROPOSED RULE
- 11 FOR UP TO 1 YEAR.
- 12 (4) THE NOTICE OF OBJECTION FILED UNDER SUBSECTION (3) STAYS
- 13 THE ABILITY OF THE OFFICE OF REGULATORY REFORM TO FILE THE RULE
- 14 WITH THE SECRETARY OF STATE FOR THE FOLLOWING TIME PERIODS:
- 15 (A) EXCEPT AS PROVIDED IN SUBDIVISION (B) OR (C), 21 CONSEC-
- 16 UTIVE CALENDAR DAYS.
- 17 (B) IF BOTH HOUSES OF THE LEGISLATURE ARE NOT IN SESSION FOR
- 18 MORE THAN 14 CONSECUTIVE CALENDAR DAYS BUT 21 OR LESS CONSECUTIVE
- 19 CALENDAR DAYS FOLLOWING THE FILING OF A NOTICE OF OBJECTION, THE
- 20 21-DAY TIME PERIOD DESCRIBED IN SUBDIVISION (A) SHALL TOLL, WITH
- 21 THE REMAINDER OF THE 21-DAY TIME PERIOD AVAILABLE FOR CONSIDERA-
- 22 TION UPON THE RETURN OF EITHER HOUSE. IN NO CASE UNDER THIS SUB-
- 23 DIVISION SHALL THE COMBINED TIME PERIOD FOR CONSIDERATION BY THE
- 24 COMMITTEE AND FULL LEGISLATURE EXCEED 63 CONSECUTIVE CALENDAR
- **25** DAYS.
- 26 (C) IF BOTH HOUSES OF THE LEGISLATURE ARE NOT IN SESSION
- 27 MORE THAN 21 CONSECUTIVE CALENDAR DAYS FOLLOWING THE FILING OF A

- 1 TIMELY NOTICE OF OBJECTION, THE 21-DAY TIME PERIOD DESCRIBED IN
- 2 SUBDIVISION (A) SHALL TOLL, WITH THE REMAINDER OF THE 21-DAY TIME
- 3 PERIOD AVAILABLE FOR CONSIDERATION UPON THE RETURN OF EITHER
- 4 HOUSE.
- 5 (5) IF THE LEGISLATION INTRODUCED PURSUANT TO SUBSECTION (3)
- 6 IS DEFEATED IN EITHER HOUSE AND IF THE VOTE BY WHICH THE LEGISLA-
- 7 TION FAILED TO PASS IS NOT RECONSIDERED IN COMPLIANCE WITH THE
- 8 RULES OF THAT HOUSE, OR IF LEGISLATION INTRODUCED PURSUANT TO
- 9 SUBSECTION (3) IS NOT ADOPTED BY BOTH HOUSES WITHIN THE TIME
- 10 PERIOD SPECIFIED IN SUBSECTION (4), THE OFFICE OF REGULATORY
- 11 REFORM MAY FILE THE RULE WITH THE SECRETARY OF STATE. UPON
- 12 FILING WITH THE SECRETARY OF STATE, THE RULE SHALL TAKE EFFECT 7
- 13 DAYS AFTER THE FILING DATE UNLESS A LATER DATE IS SPECIFIED
- 14 WITHIN THE RULE.
- 15 (6) IF THE LEGISLATION INTRODUCED PURSUANT TO SUBSECTION (3)
- 16 IS ENACTED BY THE LEGISLATURE AND PRESENTED TO THE GOVERNOR
- 17 WITHIN THE 21-DAY PERIOD, THE RULES DO NOT BECOME EFFECTIVE
- 18 UNLESS THE LEGISLATION IS VETOED BY THE GOVERNOR AS PROVIDED BY
- 19 LAW. IF THE GOVERNOR VETOES THE LEGISLATION, THE OFFICE OF REGU-
- 20 LATORY REFORM MAY FILE THE RULES IMMEDIATELY. THE RULE SHALL
- 21 TAKE EFFECT 7 DAYS AFTER THE DATE OF ITS FILING UNLESS A LATER
- 22 EFFECTIVE DATE IS INDICATED WITHIN THE RULE.
- 23 (7) AN AGENCY MAY WITHDRAW A PROPOSED RULE UNDER THE FOLLOW-
- 24 ING CONDITIONS:
- 25 (A) WITH PERMISSION OF THE CHAIR AND ALTERNATE CHAIR, THE
- 26 AGENCY MAY WITHDRAW THE RULE AND RESUBMIT IT. IF PERMISSION TO
- 27 WITHDRAW IS GRANTED, THE 21-DAY TIME PERIOD DESCRIBED IN

- 1 SUBSECTION (1) IS TOLLED UNTIL THE RULE IS RESUBMITTED, EXCEPT
- 2 THAT THE COMMITTEE SHALL HAVE AT LEAST 7 CALENDAR DAYS AFTER
- 3 RESUBMISSION TO CONSIDER THE RESUBMITTED RULE. THE PERIOD OF
- 4 TIME BETWEEN WITHDRAWAL AND RESUBMISSION OF THE RULE IS NOT
- 5 COUNTED TOWARD THE 63-DAY LIMIT FOR RULE CONSIDERATION DESCRIBED
- 6 IN SUBSECTION (4)(B).
- 7 (B) WITHOUT PERMISSION OF THE CHAIR AND ALTERNATE CHAIR, THE
- 8 AGENCY MAY WITHDRAW THE RULE AND RESUBMIT IT. IF PERMISSION TO
- 9 WITHDRAW IS NOT GRANTED, A NEW AND UNTOLLED 21-DAY TIME PERIOD
- 10 DESCRIBED IN SUBSECTION (1) SHALL BEGIN UPON RESUBMISSION OF THE
- 11 RULE TO THE COMMITTEE FOR CONSIDERATION.
- 12 (8) SUBSECTIONS (1) THROUGH (5) DO NOT APPLY TO RULES
- 13 ADOPTED UNDER SECTIONS 33, 44, AND 48.
- 14 Sec. 46. (1) Except for a rule processed pursuant to
- 15 section 44(2), to TO promulgate a rule an agency THE OFFICE OF
- 16 REGULATORY REFORM shall file in the office of the secretary of
- 17 state 3 copies of the rule bearing the required certificates of
- 18 approval and adoption and true copies of the rule without the
- 19 certificates. An agency THE OFFICE OF REGULATORY REFORM shall
- 20 not file a rule, except an emergency rule under section 48 AND
- 21 RULES PROCESSED UNDER SECTIONS 33 AND 44, until at least 10 days
- 22 after the date of the certificate of approval by the committee or
- 23 after the legislature adopts a concurrent resolution approving
- 24 the rule. An agency shall transmit a copy of the rule bearing
- 25 the required certificates of approval and adoption to the office
- 26 of the governor at least 10 days before it files the rule THE

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- 1 TIME PERIODS FOR COMMITTEE AND LEGISLATIVE CONSIDERATION
- 2 DESCRIBED IN SECTION 45A HAVE ELAPSED.
- 3 (2) The secretary of state shall endorse the date and hour
- 4 of filing of rules on the 3 copies of the filing bearing the cer-
- 5 tificates and shall maintain a file containing 1 copy for public
- 6 inspection.
- 7 (3) The secretary of state, as often as he or she considers
- 8 it advisable, shall cause to be arranged and bound in a substan-
- 9 tial manner the rules hereafter filed in his or her office with
- 10 their attached certificates and published in a supplement to the
- 11 Michigan administrative code. The secretary of state shall cer-
- 12 tify under his or her hand and seal of the state on the frontis-
- 13 piece of each volume that it contains all of the rules filed and
- 14 published for a specified period. The rules, when so bound and
- 15 certified, shall be kept in the office of the secretary of state
- 16 and no further record of the rules is required to be kept. The
- 17 bound rules are subject to public inspection.
- 18 (4) To promulgate a rule processed pursuant to
- 19 section 44(2), an agency, after the period provided for written
- 20 comments, shall file in the office of the secretary of state 3
- 21 copies of the rule along with the approval of the legislative
- 22 service bureau and the department of attorney general.
- Sec. 47. (1) Except in case of a rule processed under sec-
- 24 tion 48, a rule becomes effective on the date fixed in the rule,
- 25 which shall not be earlier than $\frac{-15}{}$ 7 days after the date of its
- 26 promulgation, or if a date is not so fixed then on the date of

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- 1 its publication in the Michigan administrative code or a
- 2 supplement thereto 7 DAYS AFTER THE DATE OF PROMULGATION.
- 3 (2) Except in case of a rule processed under section 48, an
- 4 agency may withdraw a promulgated rule which has not become
- **5** effective by FILING a written request stating reasons -, (a) FOR
- 6 WITHDRAWAL to the secretary of state on or before the last day
- 7 for filing rules for the interim period in which the rules were
- 8 first filed, or (b) BY FILING A WRITTEN REQUEST FOR WITHDRAWAL
- 9 to the secretary of state and the -legislative service bureau
- 10 OFFICE OF REGULATORY REFORM, within a reasonable time as deter-
- 11 mined by the bureau Office of Regulatory Reform, after the last
- 12 day for filing and before publication of the rule in the next
- 13 supplement to the code. In any other case an agency may abrogate
- 14 its rule only by rescission. When an agency has withdrawn a
- 15 promulgated rule, it shall give notice, stating reasons, to the
- 16 joint committee on administrative rules that the rule has
- 17 been withdrawn.
- 18 (3) SECTIONS 45 AND 45A APPLY TO RULES FOR WHICH A PUBLIC
- 19 HEARING HAS NOT BEEN HELD BY JANUARY 1, 2000.
- Sec. 48. (1) If an agency finds that preservation of the
- 21 public health, safety, or welfare requires promulgation of an
- 22 emergency rule without following the notice and participation
- 23 procedures required by sections 41 and 42 and states in the rule
- 24 the agency's reasons for that finding, and the governor concurs
- 25 in the finding of emergency, the agency may dispense with all or
- 26 part of the procedures and file in the office of the secretary of
- 27 state the copies prescribed by section 46 indorsed as an

- 1 emergency rule, to 3 of which copies shall be attached the
- 2 certificates prescribed by section 45 and the governor's certifi-
- 3 cate concurring in the finding of emergency. The emergency rule
- 4 is effective on filing and remains in effect until a date fixed
- 5 in the rule or 6 months after the date of its filing, whichever
- 6 is earlier. The rule may be extended once for not more than 6
- 7 months by the filing of a governor's certificate of the need for
- 8 the extension with the office of the secretary of state before
- 9 expiration of the emergency rule. An emergency rule shall not be
- 10 numbered and shall not be compiled in the Michigan administrative
- 11 code, but shall be noted in the annual supplement to the code.
- 12 The emergency rule shall be published in the Michigan register
- 13 pursuant to section 8.
- 14 (2) If the agency desires to promulgate an identical or sim-
- 15 ilar rule with an effectiveness beyond the final effective date
- 16 of an emergency rule, the agency shall comply with the procedures
- 17 prescribed by this act for the processing of a rule which is not
- 18 an emergency rule. The rule shall be published in the Michigan
- 19 register and in the code.
- 20 (3) The legislature by a concurrent resolution may rescind
- 21 an emergency rule promulgated pursuant to this section.
- Sec. 52. If authorized by concurrent resolution of the leg-
- 23 islature, the joint committee, on administrative rules,
- 24 acting between regular sessions, may suspend a rule or a part of
- 25 a rule promulgated during the interim between regular sessions.
- 26 The committee shall notify the agency promulgating the rule, the
- 27 secretary of state, the department of management and budget, and

- 1 the legislative service bureau AND OFFICE OF REGULATORY REFORM of
- 2 any rule or part of a rule the -joint committee suspends, and
- 3 the rule or part of a rule shall not be published in the Michigan
- 4 register or in the Michigan administrative code while suspended.
- 5 A rule suspended by the committee continues to be suspended
- f 6 -until- NO LONGER THAN the end of the next regular LEGISLATIVE
- 7 session.
- 8 Sec. 53. (1) Each agency shall prepare a AN ANNUAL
- 9 REGULATORY plan for the review of THAT REVIEWS the agency's
- 10 rules. that are brought to the attention of the Michigan busi-
- 11 ness ombudsman. The ANNUAL REGULATORY plan shall be transmitted
- 12 to the committee and to the director of the department of
- 13 commerce OFFICE OF REGULATORY REFORM. The agency shall conduct
- 14 a review pursuant to the plan.
- 15 (2) In -conducting the review COMPLETING THE ANNUAL REGULA-
- 16 TORY PLAN required by this section, the agency shall prepare a
- 17 small business economic impact statement if the review discloses
- 18 an impact on small businesses. The agency shall prepare a recom-
- 19 mendation based on the review as to whether the rules should be
- 20 continued without change or should be amended or rescinded. If
- 21 the small business economic impact statement discloses that an
- 22 existing rule has a disproportionate impact on small businesses
- 23 because of the size of those businesses, the agency reviewing the
- 24 rule shall, if it is lawful and feasible in meeting the objec-
- 25 tives of the act authorizing the promulgation of the rule, amend
- 26 or rescind the rule pursuant to this act to reduce or eliminate
- 27 the disproportionate impact of the rule on small businesses.

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- 1 IDENTIFY THE RULES IT REASONABLY EXPECTS TO PROCESS IN THE NEXT
- 2 YEAR, THE MANDATORY STATUTORY RULE AUTHORITY IT HAS NOT EXER-
- 3 CISED, AND THE RULES IT EXPECTS TO RESCIND IN THE NEXT YEAR.
- 4 (3) The small business economic impact statement and recom-
- 5 mendation shall be transmitted to the committee and the director
- 6 of the department of commerce. The director shall review the
- 7 statement and shall notify the committee of any additional infor-
- 8 mation pertinent to the committee's review. THE ANNUAL REGULA-
- 9 TORY PLANS COMPLETED PURSUANT TO THIS SECTION ARE ADVISORY ONLY
- 10 AND DO NOT OTHERWISE BIND THE AGENCY OR IN ANY WAY PREVENT ADDI-
- 11 TIONAL ACTION.
- 12 (4) Four years after its effective date, this section shall
- 13 not apply. ANNUAL REGULATORY PLANS COMPLETED UNDER SUBSECTION
- 14 (1) SHALL BE FILED WITH THE OFFICE OF REGULATORY REFORM BY JULY 1
- 15 OF EACH YEAR. AFTER THE OFFICE OF REGULATORY REFORM APPROVES THE
- 16 PLAN FOR REVIEW, THE OFFICE OF REGULATORY REFORM SHALL PROVIDE A
- 17 COPY OF THE PLAN OF REVIEW TO THE COMMITTEE. THE COMMITTEE SHALL
- 18 PROVIDE A COPY OF EACH AGENCY PLAN OF REVIEW, NOT LATER THAN THE
- 19 NEXT BUSINESS DAY AFTER RECEIPT OF THE PLAN OF REVIEW FROM THE
- 20 OFFICE OF REGULATORY REFORM, TO MEMBERS OF THE COMMITTEE AND TO
- 21 MEMBERS OF THE STANDING COMMITTEES OF THE SENATE AND HOUSE OF
- 22 REPRESENTATIVES THAT DEAL WITH THE SUBJECT MATTER OF RULES THE
- 23 AGENCY MAY PROPOSE.
- 24 SEC. 54. FAILURE OF THE COMMITTEE TO PROVIDE ANY NOTICES
- 25 REQUIRED UNDER SECTION 24, 28, 39, 39A, OR 42 DOES NOT AFFECT THE
- 26 VALIDITY OF THE PROCESSING OR ADOPTION OF A RULE.

- 1 Sec. 55. (1) The legislative service bureau OFFICE OF
- 2 REGULATORY REFORM annually shall publish a supplement to the
- 3 Michigan administrative code. The annual supplement shall con-
- 4 tain all promulgated rules published in the Michigan register
- 5 during the current year, except emergency rules, a cumulative
- 6 numerical listing of amendments and additions to, and rescissions
- 7 of rules since the last compilation of the MICHIGAN
- 8 ADMINISTRATIVE code, and a cumulative alphabetical index.
- 9 (2) The Michigan administrative code and, IF APPLICABLE, the
- 10 annual supplements shall be made available BY THE OFFICE OF REGU-
- 11 LATORY REFORM FREE OF CHARGE ON THE INTERNET AND IN PRINTED OR
- 12 OTHER ELECTRONIC FORMAT for public subscription at a fee reason-
- 13 ably calculated to cover publication and distribution costs.
- 14 Sec. 56. (1) The legislative service bureau OFFICE OF
- 15 REGULATORY REFORM shall perform the editorial work for the
- 16 Michigan register and the Michigan administrative code and its
- 17 annual supplement. The classification, arrangement, numbering,
- 18 and indexing of rules shall be UNDER THE OWNERSHIP AND CONTROL OF
- 19 THE OFFICE OF REGULATORY REFORM, SHALL BE uniform, and shall con-
- 20 form as nearly as practicable to the classification, arrangement,
- 21 numbering, and indexing of the compiled laws. The bureau
- 22 OFFICE OF REGULATORY REFORM may correct in the publications obvi-
- 23 ous errors in rules when requested by the promulgating agency to
- 24 do so. The bureau OFFICE OF REGULATORY REFORM may provide for
- 25 publishing all or any part of the Michigan administrative code in
- 26 bound volume, pamphlet, ELECTRONIC, or loose-leaf form. THIS

- 1 SUBSECTION DOES NOT PREVENT A LEGISLATOR FROM PROVIDING A COPY OR
- 2 REPRODUCTION OF A RULE TO A MEMBER OF THE GENERAL PUBLIC.
- 3 (2) An annual supplement to the Michigan administrative code
- 4 shall be published at the earliest practicable date.
- 5 Sec. 57. (1) The legislative service bureau OFFICE OF
- 6 REGULATORY REFORM may omit from the Michigan register, and the
- 7 Michigan administrative code, and the MICHIGAN ADMINISTRATIVE
- 8 code's annual supplement —, any rule, the publication of which
- 9 would be unreasonably expensive or lengthy if the rule in printed
- 10 or reproduced form is made available on application to the
- 11 promulgating agency, and if the MICHIGAN ADMINISTRATIVE code
- 12 publication and the Michigan register contain a notice stating
- 13 the general subject of the omitted rule and how a copy of the
- 14 rule may be obtained.
- 15 (2) The cost of publishing and distributing annual supple-
- 16 ments to the Michigan administrative code and proposed rules,
- 17 notices of public hearings on proposed rules, small business
- 18 economic impact statements, administrative rules and emergency
- 19 rules filed with the secretary of state, notices of proposed and
- **20** adopted agency guidelines, and the items listed in section 7(1)
- 21 in the Michigan register shall— MAY be prorated by the
- 22 legislative service bureau OFFICE OF REGULATORY REFORM on the
- 23 basis of the volume of these materials published for each agency
- 24 in the Michigan register and annual supplement to the Michigan
- 25 administrative code, and the cost of publishing and distribution
- 26 shall be paid out of appropriations to the agencies.

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- 1 Sec. 58. (1) When requested by an agency, the legislative
- 2 service bureau OFFICE OF REGULATORY REFORM shall prepare
- 3 reproduction proofs or negatives of the rules, or a portion of
- 4 the rules, of the agency. The requesting agency shall reimburse
- 5 the legislative service bureau OFFICE OF REGULATORY REFORM for
- 6 preparing the reproduction proofs or negatives, and the cost of
- 7 the preparation shall be paid out of appropriations to the
- 8 agency.
- 9 (2) The Michigan administrative code may be arranged and
- 10 printed to make convenient the publication ELECTRONICALLY OR in
- 11 separate pamphlets of the parts of the MICHIGAN ADMINISTRATIVE
- 12 code relating to different agencies. Agencies may order the sep-
- 13 arate pamphlets, and the cost of the pamphlets shall be paid out
- 14 of appropriations to the agencies.
- 15 Sec. 59. (1) The legislative service bureau OFFICE OF
- 16 REGULATORY REFORM shall publish or order published a sufficient
- 17 number of copies of the Michigan register, the Michigan adminis-
- 18 trative code, and the annual supplement to the MICHIGAN
- 19 ADMINISTRATIVE code to meet the requirements of this section.
- 20 Unless otherwise directed by the legislative service bureau
- 21 OFFICE OF REGULATORY REFORM, the department of management and
- 22 budget shall deliver or provide copies as follows:
- 23 (a) To the secretary of the senate, a sufficient number to
- 24 supply each senator.
- 25 (b) To the clerk of the house of representatives, a suffi-
- 26 cient number to supply each representative.

- (2) The copies of the Michigan register, the Michigan
- 2 administrative code, and the annual MICHIGAN ADMINISTRATIVE code
- 3 supplement are for official use only by the agencies and persons
- 4 prescribed in subsection (1), and they shall deliver them to
- 5 their successors. The department of management and budget shall
- 6 hold additional copies for sale at a price not less than the pub-
- 7 lication and distribution costs which shall be determined by the
- 8 legislative service bureau OFFICE OF REGULATORY REFORM.
- 9 MONEY COLLECTED BY THE DEPARTMENT OF MANAGEMENT AND BUDGET FOR
- 10 THE ADMINISTRATIVE CODE UNDER THIS SUBSECTION IS TO BE DEPOSITED
- 11 INTO THE GENERAL FUND.
- (3) A person may subscribe to the Michigan register, THE 12
- 13 MICHIGAN ADMINISTRATIVE CODE, AND THE ANNUAL SUPPLEMENT TO THE
- 14 MICHIGAN ADMINISTRATIVE CODE. The legislative service bureau
- 15 OFFICE OF REGULATORY REFORM shall determine a subscription price
- 16 which THAT shall not be more than the publication and distribu-
- 17 tion costs.
- 18 Enacting section 1. This amendatory act takes effect
- **19** January 1, 2000.
- 20 Enacting section 2. This amendatory act does not take
- 21 effect unless all of the following bills of the 90th Legislature
- 22 are enacted into law:
- (a) Senate Bill No. 878. 23
- (b) Senate Bill No. 879. 24