

Legislative Analysis



REGULATORY IMPACT STATEMENTS

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House Bill 4242 (as reported with committee amendment)

Sponsor: Rep. Ken Goike

Committee: Regulatory Reform

Complete to 5-13-13

A SUMMARY OF HOUSE BILL 4242 AS REPORTED FROM COMMITTEE 5-7-13

The bill would amend Chapter 3 (Procedures for Process and Publishing Rules) of the Administrative Procedures Act to expand the information that is required to be included in a regulatory impact statement.

As part of the rulemaking process, an agency submitting a request for rulemaking typically must include a regulatory impact statement. In addition to the information the statement must currently contain, the bill would require a regulatory impact statement to ***"demonstrate that the proposed rule is necessary and suitable to achieve its purpose in proportion to the burdens it places on individuals."***

The bill would take effect 90 days after enacted into law.

MCL 24.245

FISCAL IMPACT:

A fiscal analysis is in process.

POSITIONS:

Great Lakes Timber Professionals supports the bill. (5-7-13)

Michigan Association of Timbermen supports the bill. (5-7-13)

St. Mary's Cement supports the bill. (5-7-13)

BACKGROUND INFORMATION AND DISCUSSION:

The bill would require an agency making a request for rulemaking to include as part of its regulatory impact statement, a demonstration that the proposed rule is necessary and suitable to achieve its purpose in proportion to the burdens it places on individuals. According to testimony, the bill is intended to protect small businesses from unnecessary and burdensome regulations by requiring a department to show that the proposed rule's benefits would outweigh the burdens it places on individuals and business.

There was concern during testimony as to what method a department would use to weigh benefits of a proposed rule against potential harms on businesses and individuals. For example, if a proposed rule represented a public safety benefit, how would that be quantified?

Additionally, it was suggested that the language being added by this bill is redundant because what it requires is already contained within the current regulatory impact statements. However, according to testimony by proponents of the bill, the requirement being added would allow a department requesting rulemaking to provide additional information than that which is already required and may provide a more complete picture than is currently offered.

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