

Legislative Analysis



REGULATORY IMPACT STATEMENTS

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House Bill 4242 as enacted
Public Act 200 of 2013
Sponsor: Rep. Ken Goike
House Committee: Regulatory Reform
Senate Committee: Regulatory Reform

Complete to 4-1-14

A SUMMARY OF HOUSE BILL 4242 AS ENACTED

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:

The bill would have a nominal fiscal impact for departments and agencies throughout state government to the extent that additional research and analysis is necessitated.

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. (Proponents included Great Lakes Timber Professionals, the Michigan Association of Timbermen, and St. Mary's Cement.)

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