



**Senate Fiscal Agency**  
**P. O. Box 30036**  
**Lansing, Michigan 48909-7536**



**Telephone: (517) 373-5383**  
**Fax: (517) 373-1986**

House Bill 4242 (as passed by the House)  
Sponsor: Representative Ken Goike  
House Committee: Regulatory Reform  
Senate Committee: Regulatory Reform

Date Completed: 11-6-13

### **CONTENT**

**The bill would amend the Administrative Procedures Act to require an agency's regulatory impact statement to demonstrate that a proposed rule was necessary and suitable to achieve its purpose in proportion to the burden it would impose.**

Under the Act, after the required notice is given for the proposal of a rule and before the agency proposing the rule has formally adopted it, the agency must prepare an agency report containing a synopsis of the comments contained in the public hearing record, a copy of the request for rule-making, and the regulatory impact statement required by the Act.

Among other things, a regulatory impact statement must contain an identification of the businesses, groups, or individuals who will be directly affected by, bear the cost of, or directly benefit from the rule; a comparison of the proposed rule to standards in similarly situated states, if requested by the Office of Regulatory Reinvention or the Joint Committee on Administrative Rules; an estimate of the actual statewide compliance costs of the proposed rule on businesses and other groups; and an identification of any disproportionate impact the proposed rule may have on small businesses because of their size.

The bill also would require a regulatory impact statement to include a demonstration that the proposed rule was necessary and suitable to achieve its purpose in proportion to the burdens it placed on individuals.

MCL 24.245

Legislative Analyst: Patrick Affholter

### **FISCAL IMPACT**

The proposed requirement to include a demonstration that a rule was necessary and suitable to achieve its purpose in proportion to the burdens it placed on individuals would not add any costs to any state department or agency. Any costs for this additional requirement would be absorbed within the department's or agency's current annual appropriations.

The bill would have no fiscal impact on local government.

Fiscal Analyst: Joe Carrasco

S1314\S4242sa

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.