

1 SB179  
2 148275-1  
3 By Senator Waggoner  
4 RFD: Fiscal Responsibility and Accountability  
5 First Read: 12-FEB-13

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8 SYNOPSIS: This bill, which would be named "The Red  
9 Tape Reduction Act," would require an agency that  
10 proposes a rule which may have an adverse impact on  
11 a business under certain conditions to prepare and  
12 file a Business Economic Impact Statement prior to  
13 the adoption of the rule, with the Joint Committee  
14 on Administrative Regulation Review. The bill would  
15 also require agencies to review all agency rules  
16 every five years.

17  
18 A BILL  
19 TO BE ENTITLED  
20 AN ACT

21  
22 Relating to the Administrative Procedure Act; to  
23 adopt The Red Tape Reduction Act; to add Sections 41-22-5.1  
24 and 41-22-5.2 to the Code of Alabama 1975; to further provide  
25 for notification to the public of proposed rules; and to  
26 require any agency which proposes a rule which may have an  
27 adverse impact on a business, under certain conditions,

1 prepare and file with the Joint Committee on Administrative  
2 Regulation Review a Business Economic Impact Statement prior  
3 to adoption of the rule; and to require agencies to review all  
4 agency rules every five years.

5 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

6 Section 1. This act shall be known and may be cited  
7 as "The Red Tape Reduction Act."

8 Section 2. Sections 41-22-5.1 and 41-22-5.2 are  
9 added to Chapter 22, Title 41, Code of Alabama 1975, to read  
10 as follows:

11 §41-22-5.1.

12 (a) When an agency files a notice of intent to  
13 adopt, amend, or repeal any rule, the agency shall make its  
14 best efforts to notify the public of the proposed rule. At a  
15 minimum, when the agency files the notice of intent, the  
16 agency shall post the text of the rule the agency proposes to  
17 adopt, amend, or repeal on its website or, if the agency has  
18 no website, on a website operated or maintained by the  
19 executive branch. Additionally, when the agency files a notice  
20 of intent to adopt, amend, or repeal a rule, the agency shall  
21 electronically notify any person who has registered with the  
22 agency his or her desire to receive notification of any  
23 proposal by the agency to adopt, amend, or repeal a rule.

24 (b) If, prior to the end of the notice period, a  
25 business notifies an agency that it will be negatively  
26 impacted by an action proposed under subsection (a), the  
27 agency shall prepare and submit to the committee the

1 information provided by the affected business as well as a  
2 Business Economic Impact Statement. The statement shall  
3 estimate the number of businesses subject to the agency's  
4 proposal as well as the projected reporting, recordkeeping,  
5 and other administrative costs required for compliance with  
6 the proposal. An agency shall prepare the business economic  
7 impact statement using information available to the agency in  
8 the normal course of business and utilizing the expertise and  
9 experience of existing agency employees.

10 (c) After receiving a business economic impact  
11 statement from an agency, the committee may require the agency  
12 to analyze and report to the committee the feasibility of some  
13 or all of the following methods of reducing the impact of the  
14 rule on businesses:

15 (1) The establishment of less stringent compliance  
16 or reporting requirements for businesses.

17 (2) The establishment of less stringent schedules or  
18 deadlines for compliance or reporting requirements for  
19 businesses.

20 (3) The consolidation or simplification of  
21 compliance or reporting requirements for businesses.

22 (4) The establishment of performance standards for  
23 businesses to replace design or operational standards required  
24 in the rule.

25 (d) An agency shall include information on any  
26 business economic impact statement whether the proposed rule

1 is proposed as a result of a requirement issued by a federal  
2 agency.

3 (e) A business economic impact statement required to  
4 be filed pursuant to this section shall be filed with the  
5 Legislative Reference Service at the same time as the proposed  
6 rule is certified to the Legislative Reference Service and  
7 shall be available for public inspection.

8 (f) Each agency that files a business economic  
9 impact statement, at the time it is filed, shall place that  
10 statement on its website in a location that is easily  
11 accessible by the general public, or, if the agency does not  
12 have a website, on a website operated or maintained by the  
13 executive branch.

14 (g) If the committee determines that an agency or a  
15 division of an agency exists primarily to perform  
16 licensing-related functions, the agency is not required to  
17 comply with the provisions of this section unless the  
18 committee determines in writing that an agency's proposal has  
19 such a negative impact on businesses that the filing of a  
20 business economic impact statement is warranted.

21 (h) An agency is not required to comply with this  
22 section if the proposed rule is being adopted in order for the  
23 agency to comply with membership requirements in a multi-state  
24 or national membership organization.

25 (i) This section shall not apply to the promulgation  
26 of an emergency rule adopted pursuant to subsection (b) of  
27 Section 41-22-5.

1 §41-22-5.2.

2 (a) Within five years of the effective date of this  
3 section, each agency shall review all agency rules existing on  
4 that date to determine whether the rules should be continued  
5 without change, or should be amended or rescinded. If the head  
6 of the agency determines that completion of the review of  
7 existing rules is not feasible by the established date, the  
8 agency shall publish a statement certifying that  
9 determination.

10 (b) A rule adopted after the effective date of this  
11 section shall be reviewed every five years in a manner  
12 consistent with subsection (a).

13 Section 3. This act shall become effective on the  
14 first day of the third month following its passage and  
15 approval by the Governor, or its otherwise becoming law.