

Senate File 2125 - Introduced

SENATE FILE 2125

BY CHAPMAN, ANDERSON,
SINCLAIR, JOHNSON,
FEENSTRA, ROZENBOOM,
GREINER, ERNST, KAPUCIAN,
BREITBACH, CHELGREN,
BOETTGER, and BEHN

A BILL FOR

1 An Act providing for a fiscal analysis of all proposed rules
2 and a process for a review and prospective five-year
3 recision of existing rules.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 17A.4, subsection 2, Code 2014, is
2 amended to read as follows:

3 2. a. ~~An agency shall include in a preamble to each rule~~
4 ~~it adopts a brief explanation of the principal reasons for its~~
5 ~~action and, if applicable, a brief explanation of the principal~~
6 ~~reasons for its failure to provide in that rule for the waiver~~
7 ~~of the rule in specified situations if no such waiver provision~~
8 ~~is included in the rule. This explanatory requirement does~~
9 ~~not apply when the agency adopts a rule that only defines the~~
10 ~~meaning of a provision of law if the agency does not possess~~
11 ~~delegated authority to bind the courts to any extent with~~
12 ~~its definition. In addition, if If requested to do so by an~~
13 ~~interested person, either prior to adoption or within thirty~~
14 ~~days thereafter, the agency shall issue a concise statement~~
15 ~~of the principal reasons for and against the rule adopted,~~
16 ~~incorporating therein the reasons for overruling considerations~~
17 ~~urged against the rule. This concise statement shall be issued~~
18 ~~either at the time of the adoption of the rule or within~~
19 ~~thirty-five days after the agency receives the request.~~

20 b. Each agency shall include in a preamble to each notice of
21 intended action, or rule adopted without prior notice and an
22 opportunity for public participation:

23 (1) A brief explanation of the principal reasons for its
24 action and, if applicable, a brief explanation of the principal
25 reasons for its failure to provide in that rule for the waiver
26 of the rule in specified situations if no such waiver provision
27 is included in the rule. This explanatory requirement does
28 not apply when the agency adopts a rule that only defines the
29 meaning of a provision of law if the agency does not possess
30 delegated authority to bind the courts to any extent with its
31 definition.

32 (2) A financial impact statement that details the
33 benefits anticipated from the proposed rule and the costs of
34 implementation and compliance on both the agency and those
35 persons impacted by the rule.

1 (a) If the agency has made a good-faith effort to comply
2 with the requirements of this subparagraph, the rule may not be
3 invalidated on the ground that the contents of the statement
4 are insufficient or inaccurate.

5 (b) A member of the general assembly may request that the
6 statement be reviewed, and its accuracy confirmed, by the
7 legislative services agency.

8 Sec. 2. Section 17A.7, subsection 2, Code 2014, is amended
9 by striking the subsection and inserting in lieu thereof the
10 following:

11 2. a. A rule is rescinded five years after the initial
12 effective date of the rule, excluding the effective dates of
13 subsequent amendments. For rules that are in effect on July 1,
14 2014, the rescission date is July 1, 2019.

15 b. An agency may publish a notice of intended action to
16 readopt a rule subject to this subsection.

17 c. (1) Twelve months prior to the notice referred
18 to in paragraph "b", the agency shall publish in the Iowa
19 administrative bulletin a review of the rule which shall
20 include the financial impact statement required pursuant to
21 section 17A.3, subsection 2, paragraph "b", and the actual
22 cost of implementation and compliance since adoption. The
23 review shall also project the cost of continuance of the
24 rule. The agency shall provide a copy of the review to the
25 administrative rules coordinator and the administrative rules
26 review committee.

27 (2) Each analysis included in the review shall be conducted
28 by the agency intending to readopt the rule, in consultation
29 with major stakeholders and constituent groups. If the noticed
30 rule has an annual financial impact of at least one hundred
31 thousand dollars, the agency's review shall be analyzed by the
32 legislative services agency in order to confirm the accuracy
33 of the review.

34

EXPLANATION

35 The inclusion of this explanation does not constitute agreement with

1 the explanation's substance by the members of the general assembly.

2 This bill requires that each notice of intended action to
3 adopt an administrative rule, or each "emergency" adopted rule,
4 contain a financial impact statement that details the benefits
5 anticipated from the rule, the costs of implementation and
6 compliance on both the agency and those persons impacted. The
7 statement must be included in the preamble to the rulemaking
8 document. The agency is required to make a good-faith effort
9 to prepare the statement. A member of the General Assembly
10 may request that the statement be reviewed for accuracy by the
11 legislative services agency.

12 Existing provisions relating to a concise statement of
13 reasons for adoption of a rule are moved to the bill's new
14 provision and applied to proposed rules.

15 The bill strikes existing provisions relating to the
16 periodic review of existing rules, substituting provisions for
17 a five-year sunset for all rules. Rules can be readopted,
18 accompanied by an agency review outlining the costs associated
19 with the rule. The legislative services agency is required to
20 analyze an agency's review if the annual financial impact of a
21 noticed rule is at least \$100,000.