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Senate Bill 271 (Substitute S-1 as reported)  
Senate Bill 272 (as reported without amendment)  
Senate Bill 274 (Substitute S-1 as reported)  
Sponsor: Senator Jack Brandenburg (S.B. 271)  
          Senator Mike Kowall (S.B. 272)  
          Senator John Pappageorge (S.B. 274)  
Committee: Economic Development

### **CONTENT**

The bills would amend the Administrative Procedures Act (APA) to revise provisions that govern the promulgation of administrative rules.

Senate Bill 271 (S-1) would do the following:

- Require the Office of Regulatory Reinvention (ORR) to include a small business impact statement with its notice of transmittal to the Joint Committee on Administrative Rules (JCAR) regarding a proposed rule.
- Require a regulatory impact statement to include comparison of a proposed rule to standards in other states in the Great Lakes region, and other information.
- Require an agency to post a regulatory impact statement on its website at least 10 days before a public hearing on a proposed rule.

Senate Bill 272 would do the following:

- Prohibit an agency from promulgating a rule more stringent than the applicable Federal standard unless specifically authorized by statute.
- Require an agency to adopt Federal rules and standards if it adopted rules to implement a federally delegated program.
- Specify that a guideline, operational memorandum, bulletin, interpretative statement, or form with instructions would be advisory only and could not be given the force and effect of law.
- Prohibit a rule from exceeding the rule-making delegation in its authorizing statute.
- Require an agency to consider exempting small business from a rule under certain circumstances and expand the methods by which an agency must reduce the economic impact of a rule on small business.
- Revise a provision pertaining to a challenge to the validity or applicability of a rule.
- Allow a court to award up to 10 times the cost of any permit fees plus actual and reasonable costs for witness and attorney fees if the court determined a rule-processing violation had occurred.

Senate Bill 274 (S-1) would do the following:

- Allow JCAR to hold a hearing on any rule previously filed with the Secretary of State or on any matter it considered appropriate.

-- Require an agency to withdraw any rule pending before JCAR at final adjournment of a two-year legislative session and resubmit that rule.

MCL 24.245 (S.B. 271)  
24.232 et al. (S.B. 272)  
24.235 & 24.245a (S.B. 274)

Legislative Analyst: Patrick Affholter

### **FISCAL IMPACT**

Senate Bill 271 (S-1) would require additional content in regulatory impact statements issued by State agencies that are proposing new administrative rules. To the extent that agencies are not already analyzing the impacts of new rule proposals on small businesses and comparing the proposals to similar rules already established in other Great Lakes states, the bill would result in some additional administrative costs to these agencies.

Senate Bill 272 would add several requirements for State agencies proposing new administrative rules. These new requirements would result in some additional, relatively minor, administrative costs.

Senate Bill 274 (S-1) would have no fiscal impact on State or local government.

Date Completed: 4-27-11

Fiscal Analyst: Josh Sefton

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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.