

WE DARE DEFEND OUR RIGHT TO FREE ENTERPRISE

The Red Tape Reduction Act

House Bill 101, sponsored by Rep. April Weaver (R-Brierfield)

It's no secret that too many state and federal regulations hurt businesses and inhibit their ability to create jobs. Businesses spend money, time and other resources complying with regulations, too often at the expense of productivity and employment opportunities. Before implementing a new regulation, agencies should ALWAYS consider the impact on jobs.

The Red Tape Reduction Act would require each state agency to prepare a Business Economic Impact Statement prior to taking any regulatory action that could have an adverse impact on businesses. The act also requires agencies to periodically review their regulations and eliminate any unneeded or burdensome regulations. By requiring agencies to take such a close look at their regulations, **The Red Tape Reduction Act** gives the Legislature an additional mechanism to protect our state's economy from needless and damaging bureaucratic initiatives.

Summary:

- Under current law, the only way the public is notified of an agency's regulatory proposal is through a publication known as The Alabama Administrative Monthly. Under **The Red Tape Reduction Act**, each agency would be required to not only place their regulatory proposal on their website, but also to electronically notify interested persons of the proposed changes.
- Under current law, when an agency notifies the public that it intends to change an administrative rule, the public has 35 days during which it can make comments on the proposal. Under **The Red Tape Reduction Act**, if a business asserts during the comment period that it will be negatively affected by the proposal, the agency will have to complete a Business Economic Impact Statement and provide that statement to the Joint Committee on Administrative Regulation Review.
- The Business Economic Impact statement will require the agency to analyze and report to the committee its efforts to establish alternative requirements that are less stringent or simpler for affected businesses. Additionally, each statement will specifically note whether the agency's proposal is a result of a mandate handed down by the federal government.
- Agencies that, in the committee's opinion, perform merely licensing functions will not have to complete these statements unless the committee determines that their proposal so negatively impacts businesses that a statement is warranted.
- Additionally, because so many administrative regulations that are currently in force are also burdensome to businesses, **The Red Tape Reduction Act** requires each agency must review all existing administrative rules within five years after the act is passed. During their review, agencies will determine which rules, if any, should be eliminated because they are outdated or unneeded, or more importantly, because they are stifling to Alabama's economy.

