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

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19 A BILL
20 TO BE ENTITLED
21 AN ACT

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

1 adoption of the rule, prepare and file with the Joint
2 Committee on Administrative Regulation Review a Business
3 Economic Impact Statement; and to require agencies to review
4 all 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) Prior to the adoption, amendment, or repeal of
13 any rule, each agency shall make its best efforts to notify
14 the public of any rule it proposes to adopt, amend, or repeal.
15 At a minimum, an agency should post the text of every rule it
16 proposes to adopt, amend, or repeal on its website, or, if the
17 agency has no website, on a website operated or maintained by
18 the Executive Branch. Additionally, when an agency proposes to
19 adopt, amend, or repeal a rule, it must also electronically
20 notify any person who registers with the agency his or her
21 desire to receive such a notification of the agency's
22 proposal.

23 (b) If, within 35 days after complying with
24 subsection (a), a business notifies an agency that it will be
25 negatively impact by an agency's proposal, the agency will be
26 required to prepare and submit to the Committee the
27 information provided by the affected business as well as a

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

9 (c) After receiving a Business Economic Impact
10 Statement from an agency, the Committee may, at its
11 discretion, require the agency to analyze and report to the
12 Committee the feasibility of some or all of the following
13 methods of reducing the impact of the rule on businesses:

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

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

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

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

24 (d) A Business Economic Impact Statement required to
25 be filed pursuant to this section shall be filed with the
26 Legislative Reference Service at the time of filing the notice
27 of intent to adopt a rule pursuant to Section 41-22-5.

1 Additionally, these documents shall be available for public
2 inspection.

3 (e) Each agency that files a Business Economic
4 Impact Statement shall, at the time it is filed, place that
5 statement on their website in a location that is easily
6 accessible by the general public, or, if the agency has no
7 website, on a website operated or maintained by the Executive
8 Branch.

9 (f) An agency that exists primarily to perform
10 licensing-related functions shall not be required to comply
11 with the provisions of this section unless the Committee
12 determines in writing that an agency's proposal has such a
13 negative impact on businesses that the filing of a Business
14 Economic Impact Statement is warranted.

15 (g) An agency shall not be required to comply with
16 the provisions of this section if the proposed rule is being
17 adopted in order for the agency to comply with membership
18 requirements in a multi-state or national membership
19 organization.

20 (h) An agency shall specifically note on any
21 Business Economic Impact Statement whether the proposal that
22 is the subject of the statement is a result of a requirement
23 issued by a federal agency.

24 §41-22-5.2.

25 (a) Within five years of the effective date of this
26 section, each agency shall review all agency rules existing on
27 that date to determine whether the rules should be continued

1 without change, or should be amended or rescinded. If the head
2 of the agency determines that completion of the review of
3 existing rules is not feasible by the established date the
4 agency shall publish a statement certifying that
5 determination.

6 (b) A rule adopted after the effective date of this
7 section should be reviewed every five years in a manner
8 consistent with subsection (a).

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