1 A bill to be entitled 2 An act relating to rulemaking; amending s. 120.54, F.S.; 3 requiring that an agency include in its notice of intended 4 rulemaking a statement as to whether the proposed rule is 5 expected to require legislative ratification; clarifying 6 that a statement of estimated regulatory costs is not 7 required for emergency rulemaking; providing for 8 modification or withdrawal of an adopted rule that is not 9 ratified by the Legislature; clarifying that certain 10 proposed rules are effective only when ratified by the 11 Legislature; amending s. 120.541, F.S.; reducing the time before an agency files a rule for adoption when the agency 12 13 must notify the person who submitted a lower cost 14 alternative and the Administrative Procedures Committee; 15 exempting rules adopting certain federal standards, 16 triennial updates to the Florida Building Code, and triennial updates to the Florida Fire Prevention Code from 17 required legislative ratification; deleting an exemption 18 19 for rules that adopt federal standards from a requirement that an agency's statement of a rule's estimated 20 21 regulatory costs include an economic analysis of the 22 rule's adverse impacts and regulatory costs; exempting 23 emergency rulemaking from application of the section; 24 creating s. 120.547, F.S.; providing legislative findings 25 and definitions; providing for the review of rulemaking 26 and the summary repeal of rules by statewide elected 27 executive officers, the Governor and Cabinet, and the 28 State Board of Administration within the first 6 months of

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an elective term; specifying agencies and rules subject to summary repeal; providing procedures for notice of the repeal; providing for objection to the repeal; providing nonapplicability of other provisions of law to the summary repeal process; providing requirements for judicial review of the repeal; providing for exclusive and nondelegable authority; amending s. 120.56, F.S.; reducing the time in which a substantially affected person may seek an administrative determination of the invalidity of a rule after the statement or revised statement of estimated regulatory costs is available; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Paragraphs (a), (b), (d), and (e) of subsection (3) of section 120.54, Florida Statutes, as amended by chapter 2010-279, Laws of Florida, are amended to read:

120.54 Rulemaking.-

- (3) ADOPTION PROCEDURES. -
- (a) Notices.-
- 1. Prior to the adoption, amendment, or repeal of any rule other than an emergency rule, an agency, upon approval of the agency head, shall give notice of its intended action, setting forth a short, plain explanation of the purpose and effect of the proposed action; the full text of the proposed rule or amendment and a summary thereof; a reference to the grant of rulemaking authority pursuant to which the rule is adopted; and

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a reference to the section or subsection of the Florida Statutes or the Laws of Florida being implemented or interpreted. The notice must include a summary of the agency's statement of the estimated regulatory costs, if one has been prepared, based on the factors set forth in s. 120.541(2);  $_{\tau}$  and a statement that any person who wishes to provide the agency with information regarding the statement of estimated regulatory costs, or to provide a proposal for a lower cost regulatory alternative as provided by s. 120.541(1), must do so in writing within 21 days after publication of the notice; and a statement as to whether, based on the statement of estimated regulatory costs, the proposed rule is expected to require legislative ratification pursuant to s. 120.541(3). The notice must state the procedure for requesting a public hearing on the proposed rule. Except when the intended action is the repeal of a rule, the notice must include a reference both to the date on which and to the place where the notice of rule development that is required by subsection (2) appeared.

- 2. The notice shall be published in the Florida Administrative Weekly not less than 28 days prior to the intended action. The proposed rule shall be available for inspection and copying by the public at the time of the publication of notice.
- 3. The notice shall be mailed to all persons named in the proposed rule and to all persons who, at least 14 days prior to such mailing, have made requests of the agency for advance notice of its proceedings. The agency shall also give such notice as is prescribed by rule to those particular classes of

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persons to whom the intended action is directed.

- 4. The adopting agency shall file with the committee, at least 21 days prior to the proposed adoption date, a copy of each rule it proposes to adopt; a copy of any material incorporated by reference in the rule; a detailed written statement of the facts and circumstances justifying the proposed rule; a copy of any statement of estimated regulatory costs that has been prepared pursuant to s. 120.541; a statement of the extent to which the proposed rule relates to federal standards or rules on the same subject; and the notice required by subparagraph 1.
  - (b) Special matters to be considered in rule adoption. -
- 1. Statement of estimated regulatory costs.—Prior to the adoption, amendment, or repeal of any rule other than an emergency rule, an agency is encouraged to prepare a statement of estimated regulatory costs of the proposed rule, as provided by s. 120.541. However, an agency must prepare a statement of estimated regulatory costs of the proposed rule, as provided by s. 120.541, if:
- a. The proposed rule will have an adverse impact on small business; or
- b. The proposed rule is likely to directly or indirectly increase regulatory costs in excess of \$200,000 in the aggregate in this state within 1 year after the implementation of the rule.
  - 2. Small businesses, small counties, and small cities.-
- a. Each agency, before the adoption, amendment, or repeal of a rule, shall consider the impact of the rule on small

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113 businesses as defined by s. 288.703 and the impact of the rule 114 on small counties or small cities as defined by s. 120.52. 115 Whenever practicable, an agency shall tier its rules to reduce 116 disproportionate impacts on small businesses, small counties, or 117 small cities to avoid regulating small businesses, small counties, or small cities that do not contribute significantly 118 119 to the problem the rule is designed to address. An agency may define "small business" to include businesses employing more 120 than 200 persons, may define "small county" to include those 121 with populations of more than 75,000, and may define "small 122 city" to include those with populations of more than 10,000, if 123 124 it finds that such a definition is necessary to adapt a rule to 125 the needs and problems of small businesses, small counties, or 126 small cities. The agency shall consider each of the following methods for reducing the impact of the proposed rule on small 127 128 businesses, small counties, and small cities, or any combination 129 of these entities:

- (I) Establishing less stringent compliance or reporting requirements in the rule.
- (II) Establishing less stringent schedules or deadlines in the rule for compliance or reporting requirements.
- (III) Consolidating or simplifying the rule's compliance or reporting requirements.
- (IV) Establishing performance standards or best management practices to replace design or operational standards in the rule.
- (V) Exempting small businesses, small counties, or small cities from any or all requirements of the rule.

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b.(I) If the agency determines that the proposed action will affect small businesses as defined by the agency as provided in sub-subparagraph a., the agency shall send written notice of the rule to the Small Business Regulatory Advisory Council and the Office of Tourism, Trade, and Economic Development not less than 28 days prior to the intended action.

- (II) Each agency shall adopt those regulatory alternatives offered by the Small Business Regulatory Advisory Council and provided to the agency no later than 21 days after the council's receipt of the written notice of the rule which it finds are feasible and consistent with the stated objectives of the proposed rule and which would reduce the impact on small businesses. When regulatory alternatives are offered by the Small Business Regulatory Advisory Council, the 90-day period for filing the rule in subparagraph (e)2. is extended for a period of 21 days.
- (III) If an agency does not adopt all alternatives offered pursuant to this sub-subparagraph, it shall, prior to rule adoption or amendment and pursuant to subparagraph (d)1., file a detailed written statement with the committee explaining the reasons for failure to adopt such alternatives. Within 3 working days of the filing of such notice, the agency shall send a copy of such notice to the Small Business Regulatory Advisory

  Council. The Small Business Regulatory Advisory Council may make a request of the President of the Senate and the Speaker of the House of Representatives that the presiding officers direct the Office of Program Policy Analysis and Government Accountability to determine whether the rejected alternatives reduce the impact

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on small business while meeting the stated objectives of the proposed rule. Within 60 days after the date of the directive from the presiding officers, the Office of Program Policy Analysis and Government Accountability shall report to the Administrative Procedures Committee its findings as to whether an alternative reduces the impact on small business while meeting the stated objectives of the proposed rule. The Office of Program Policy Analysis and Government Accountability shall consider the proposed rule, the economic impact statement, the written statement of the agency, the proposed alternatives, and any comment submitted during the comment period on the proposed rule. The Office of Program Policy Analysis and Government Accountability shall submit a report of its findings and recommendations to the Governor, the President of the Senate, and the Speaker of the House of Representatives. The Administrative Procedures Committee shall report such findings to the agency, and the agency shall respond in writing to the Administrative Procedures Committee if the Office of Program Policy Analysis and Government Accountability found that the alternative reduced the impact on small business while meeting the stated objectives of the proposed rule. If the agency will not adopt the alternative, it must also provide a detailed written statement to the committee as to why it will not adopt the alternative.

- 3. This paragraph does not apply to the adoption of emergency rules pursuant to subsection (4).
  - (d) Modification or withdrawal of proposed rules.-
  - 1. After the final public hearing on the proposed rule, or

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after the time for requesting a hearing has expired, if the rule has not been changed from the rule as previously filed with the committee, or contains only technical changes, the adopting agency shall file a notice to that effect with the committee at least 7 days prior to filing the rule for adoption. Any change, other than a technical change that does not affect the substance of the rule, must be supported by the record of public hearings held on the rule, must be in response to written material submitted to the agency within 21 days after the date of publication of the notice of intended agency action or submitted to the agency between the date of publication of the notice and the end of the final public hearing, or must be in response to a proposed objection by the committee. In addition, when any change is made in a proposed rule, other than a technical change, the adopting agency shall provide a copy of a notice of change by certified mail or actual delivery to any person who requests it in writing no later than 21 days after the notice required in paragraph (a). The agency shall file the notice of change with the committee, along with the reasons for the change, and provide the notice of change to persons requesting it, at least 21 days prior to filing the rule for adoption. The notice of change shall be published in the Florida Administrative Weekly at least 21 days prior to filing the rule for adoption. This subparagraph does not apply to emergency rules adopted pursuant to subsection (4).

- 2. After the notice required by paragraph (a) and prior to adoption, the agency may withdraw the rule in whole or in part.
  - 3. After adoption and before the <u>rule becomes</u> effective

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date, a rule may be modified or withdrawn only in the following
circumstances:

a. When the committee objects to the rule;

- b. When a final order, not subject to further appeal, is entered in a rule challenge brought pursuant to s. 120.56 after the date of adoption but before the rule becomes effective pursuant to subparagraph (e)6.;
- c. When the rule requires ratification and more than 90 days have passed since the rule was filed for adoption without the Legislature ratifying the rule; or
- <u>d.</u> response to an objection by the committee or may be modified to extend the effective date by not more than 60 days. When the committee notifies has notified the agency that an objection to the rule is being considered, in which case the rule may be modified to extend the effective date by not more than 60 days.
- 4. The agency shall give notice of its decision to withdraw or modify a rule in the first available issue of the publication in which the original notice of rulemaking was published, shall notify those persons described in subparagraph (a)3. in accordance with the requirements of that subparagraph, and shall notify the Department of State if the rule is required to be filed with the Department of State.
- 5. After a rule has become effective, it may be repealed or amended only through the rulemaking procedures specified in this chapter.
  - (e) Filing for final adoption; effective date.-
  - 1. If the adopting agency is required to publish its rules

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in the Florida Administrative Code, the agency, upon approval of the agency head, shall file with the Department of State three certified copies of the rule it proposes to adopt; one copy of any material incorporated by reference in the rule, certified by the agency; a summary of the rule; a summary of any hearings held on the rule; and a detailed written statement of the facts and circumstances justifying the rule. Agencies not required to publish their rules in the Florida Administrative Code shall file one certified copy of the proposed rule, and the other material required by this subparagraph, in the office of the agency head, and such rules shall be open to the public.

A rule may not be filed for adoption less than 28 days or more than 90 days after the notice required by paragraph (a), until 21 days after the notice of change required by paragraph (d), until 14 days after the final public hearing, until 21 days after a statement of estimated regulatory costs required under s. 120.541 has been provided to all persons who submitted a lower cost regulatory alternative and made available to the public, or until the administrative law judge has rendered a decision under s. 120.56(2), whichever applies. When a required notice of change is published prior to the expiration of the time to file the rule for adoption, the period during which a rule must be filed for adoption is extended to 45 days after the date of publication. If notice of a public hearing is published prior to the expiration of the time to file the rule for adoption, the period during which a rule must be filed for adoption is extended to 45 days after adjournment of the final hearing on the rule, 21 days after receipt of all material

authorized to be submitted at the hearing, or 21 days after receipt of the transcript, if one is made, whichever is latest. The term "public hearing" includes any public meeting held by any agency at which the rule is considered. If a petition for an administrative determination under s. 120.56(2) is filed, the period during which a rule must be filed for adoption is extended to 60 days after the administrative law judge files the final order with the clerk or until 60 days after subsequent judicial review is complete.

- 3. At the time a rule is filed, the agency shall certify that the time limitations prescribed by this paragraph have been complied with, that all statutory rulemaking requirements have been met, and that there is no administrative determination pending on the rule.
- 4. At the time a rule is filed, the committee shall certify whether the agency has responded in writing to all material and timely written comments or written inquiries made on behalf of the committee. The department shall reject any rule that is not filed within the prescribed time limits; that does not comply with all statutory rulemaking requirements and rules of the department; upon which an agency has not responded in writing to all material and timely written inquiries or written comments; upon which an administrative determination is pending; or which does not include a statement of estimated regulatory costs, if required.
- 5. If a rule has not been adopted within the time limits imposed by this paragraph or has not been adopted in compliance with all statutory rulemaking requirements, the agency proposing

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the rule shall withdraw the rule and give notice of its action in the next available issue of the Florida Administrative Weekly.

6. The proposed rule shall be adopted on being filed with the Department of State and become effective 20 days after being filed, on a later date specified in the notice required by subparagraph (a)1., or on a date required by statute, or upon ratification by the Legislature pursuant to s. 120.541(3). Rules not required to be filed with the Department of State shall become effective when adopted by the agency head, or on a later date specified by rule or statute, or upon ratification by the Legislature pursuant to s. 120.541(3). If the committee notifies an agency that an objection to a rule is being considered, the agency may postpone the adoption of the rule to accommodate review of the rule by the committee. When an agency postpones adoption of a rule to accommodate review by the committee, the 90-day period for filing the rule is tolled until the committee notifies the agency that it has completed its review of the rule.

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For the purposes of this paragraph, the term "administrative determination" does not include subsequent judicial review.

Section 2. Paragraph (d) of subsection (1) and subsection (4) of section 120.541, Florida Statutes, as amended by chapter 2010-279, Laws of Florida, are amended, and subsection (5) is added to that section, to read:

120.541 Statement of estimated regulatory costs.—
(1)

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(d) At least  $\underline{21}$  45 days before filing the rule for adoption, an agency that is required to revise a statement of estimated regulatory costs shall provide the statement to the person who submitted the lower cost regulatory alternative and to the committee and shall provide notice on the agency's website that it is available to the public.

- (3) If the adverse impact or regulatory costs of the rule exceed any of the criteria established in paragraph (2)(a), the rule shall be submitted to the President of the Senate and Speaker of the House of Representatives no later than 30 days prior to the next regular legislative session, and the rule may not take effect until it is ratified by the Legislature.
- (4) <u>Subsection (3)</u> <del>Paragraph (2)(a)</del> does not apply to the adoption of:
- (a) emergency rules pursuant to s. 120.54(4) or the adoption of Federal standards pursuant to s. 120.54(6).
- (b) Triennial updates to the Florida Building Code pursuant to s. 553.73(7)(a).
- (c) Triennial updates to the Florida Fire Prevention Code pursuant to s. 633.0215(1).
- (5) This section does not apply to the adoption of emergency rules pursuant to s. 120.54(4).
- 359 Section 3. Section 120.547, Florida Statutes, is created to read:
  - 120.547 Summary procedure for rule review and repeal during inaugural period.—
- 363 (1) LEGISLATIVE FINDINGS.—The Legislature finds that newly elected statewide executive officers should have full authority

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to initiate oversight of all rulemaking of agencies under their supervision or control. The Legislature further finds that the formal process for repealing rules as required under s.

120.54(3)(d)5. may unnecessarily delay efforts for statewide elected executive officers to review and revise the programs and policies within their respective individual or collective jurisdiction at the commencement of their elective terms.

Accordingly, the Legislature finds a prudent, expedited process providing for the review of rulemaking and the summary repeal of existing rules within the beginning months of a statewide executive officer's elective term may assist those officers in the articulation and implementation of public policy.

- (2) DEFINITIONS.—As used in this section, the term:
- (a) "Inaugural period" means the time from the first date of an elective term of the Governor, the Chief Financial
  Officer, the Attorney General, or the Commissioner of
  Agriculture, as provided in s. 5(a), Art. IV of the State
  Constitution, through the last day of the month of the June following the beginning of the term.
- (b) "Repealing authority" means a statewide elected executive officer, the Governor and Cabinet, or the State Board of Administration exercising jurisdiction to repeal a rule.
- (c) "Statewide elected executive officer" means the

  Governor, the Chief Financial Officer, the Attorney General, or
  the Commissioner of Agriculture.
- (3) AGENCIES AND RULES AFFECTED.—Exclusively during the inaugural period, each repealing authority is authorized to direct the repeal of rules using the summary procedure provided

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in this section with respect to rules of any agency under the direct supervision of the repealing authority or under the supervision of an agency head appointed by and serving at the pleasure of the repealing authority.

- (4) NOTICE OF REPEAL.—The repealing authority shall direct the repeal of rules as follows:
- (a) On or before March 1 during the inaugural period, or, during the year 2011, within 30 days after the effective date of this act, the repealing authority shall provide notice to the public, on an Internet website, or to the Legislature, by a letter to the President of the Senate, the Speaker of the House of Representatives, and the committee, the Florida Administrative Code citation of each rule under review for possible repeal under this section.
- (b) For each rule to be repealed under this section, the repealing authority shall make a written finding containing the following:
  - 1. The number and title of the rule to be repealed.
  - 2. The agency that adopted the rule.
- 3. The conclusion that the law implemented by the rule does not require the continued existence of the rule or any modification thereof.
- 4. The basis for repeal, which includes, but is not limited to, the following:
  - a. The rule is obsolete or no longer necessary;
- b. The substantive law that the rule implements or interprets in compliance with s. 120.536(1) was amended or repealed; or

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c. The rule conflicts with programs or policies that the repealing authority has implemented or intends to implement.

- 5. The name, title, address, and e-mail address of the person designated by the repealing authority to receive inquiries, correspondence, objections, or notices in response to the proposed repeal.
- 6. The date on which the rule is repealed and is no longer in force or effect.
- (c) The adopting agency shall publish notice of the written finding directing repeal of the rule on the agency's Internet website, including in such notice the date of first publication, and shall also publish the notice and written finding, including the Internet website on which the notice was first published, in the Florida Administrative Weekly that is first available after the date the written finding is executed by the repealing authority.
- (d) Repeal of a rule under this section may be effective no earlier than 15 days after the date the notice of repeal is published on the agency's Internet website, but may not be effective earlier than March 31 in the inaugural period.
- (5) OBJECTION TO REPEAL.—A substantially affected person may object to the repeal of a rule under this section.
  - (a) An objection may be made only on the basis that:
- 1. The repealing authority failed to provide the notices required under this section;
- 2. The repealing authority made an erroneous conclusion of law under subparagraph(4)(b)3.; or
  - 3. The repeal constitutes an invalid exercise of delegated

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449 <u>legislative authority.</u>

- (b) No later than 14 days after the date the notice of repeal is published on the agency's Internet website, the person must file with the individual designated in subparagraph

  (4) (b) 5. a written objection to repeal stating:
- 1. The name, address, telephone number, and e-mail address of the person opposing the repeal.
- 2. A concise statement of the facts and law on which the objection relies.
- (c) Failure to file an objection in the time and manner provided in this subsection constitutes a full and complete waiver of the objection, an affirmative assent to the proposed repeal, and a full and complete waiver of judicial review under s. 120.68.
- (d) If an objection is timely filed, the repeal is not effective until the repealing authority overrules the objection in writing and notice of that disposition is published in the manner provided in paragraph (4)(c).
- (6) NONAPPLICABLE SECTIONS.—Sections 120.54, 120.541, 120.56, 120.569, 120.57, 120.573, 120.574, and 120.69 are not applicable to the repeal of rules under this section.
- (7) JUDICIAL REVIEW.—A substantially affected party whose timely written objection to the proposed repeal is overruled by the repealing authority may seek judicial review of that decision under s. 120.68, as modified by the following:
- (a) Notwithstanding any other statute, the First District Court of Appeal has exclusive jurisdiction of any petition for judicial review of the repeal of rules under this section.

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(b) A petition for judicial review may be brought only against the agency that adopted the rule and not against the repealing authority.

- (c) The record for review shall be comprised solely of the written finding of repeal, the written objection, the written disposition of the objection, and, if the objection raised the failure to provide notices required under this section, the record shall include a verified statement of the repealing authority, if an individual elected officer, or of the Governor with respect to any other repealing authority, setting forth the facts relied upon in overruling the objection.
- (8) NONDELEGABLE AUTHORITY.—The authority to determine and direct the repeal of agency rules under this section, other than the receipt of inquiries, correspondence, petitions, or notices in response to a proposed repeal, shall be exercised exclusively by the repealing authority having supervisory or appointive authority with respect to the affected agency and may not be delegated to any other person.
- Section 4. Paragraph (a) of subsection (2) of section 120.56, Florida Statutes, as amended by chapter 2010-279, Laws of Florida, is amended to read:
  - 120.56 Challenges to rules.-
  - (2) CHALLENGING PROPOSED RULES; SPECIAL PROVISIONS.—
- (a) A substantially affected person may seek an administrative determination of the invalidity of a proposed rule by filing a petition seeking such a determination with the division within 21 days after the date of publication of the notice required by s. 120.54(3)(a); within 10 days after the

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final public hearing is held on the proposed rule as provided by s. 120.54(3) (e) 2.; within 20 44 days after the statement of estimated regulatory costs or revised statement of estimated regulatory costs, if applicable, has been prepared and made available as provided in s. 120.541(1)(d); or within 20 days after the date of publication of the notice required by s. 120.54(3)(d). The petition must state with particularity the objections to the proposed rule and the reasons that the proposed rule is an invalid exercise of delegated legislative authority. The petitioner has the burden of going forward. The agency then has the burden to prove by a preponderance of the evidence that the proposed rule is not an invalid exercise of delegated legislative authority as to the objections raised. A person who is substantially affected by a change in the proposed rule may seek a determination of the validity of such change. A person who is not substantially affected by the proposed rule as initially noticed, but who is substantially affected by the rule as a result of a change, may challenge any provision of the rule and is not limited to challenging the change to the proposed rule.

Section 5. This act shall take effect upon becoming a law.