SENATE
STATE OF MINNESOTA
NINETIETH SESSION

S.F. No. 745

(SENATE AUTHORS: KIFFMEYER, Pratt, Bakk, Gazelka and Koran)

DATE	D-PG	OFFICIAL STATUS
02/09/2017	544	Introduction and first reading Referred to State Government Finance and Policy and Elections

A bill for an act

relating to administrative rulemaking; requiring agencies to determine the impact of a proposed rule on the cost of residential construction or remodeling; requiring notice to the applicable legislative committees; permitting a legislative committee to require approval of a rule by law; proposing coding for new law in Minnesota Statutes, chapter 14.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **[14.1275] RULES IMPACTING RESIDENTIAL CONSTRUCTION OR REMODELING; LEGISLATIVE NOTICE AND REVIEW.**

Subdivision 1. **Definition.** As used in this section, "residential construction" means the new construction or remodeling of any building subject to the Minnesota Residential Code.

Subd. 2. **Impact on housing cost; agency determination.** An agency must determine if implementation of a proposed rule, or any portion of a proposed rule, will, on average, increase the cost of residential construction or remodeling by $1,000 or more per unit. The agency must make this determination before the close of the hearing record, or before the agency submits the record to the administrative law judge if there is no hearing. The administrative law judge must review and approve or disapprove an agency's determination under this subdivision.

Subd. 3. **Notice to legislature; legislative approval.** (a) If the agency determines that the impact of a proposed rule meets or exceeds the cost threshold provided in subdivision 2, or if the administrative law judge disapproves the agency's determination that the impact does not meet or exceed that threshold, the agency must notify, in writing, the chair and ranking minority members of the policy committees of the house of representatives and the

senate with jurisdiction over the subject matter of the proposed rule within ten days of the determination or disapproval.

(b) If a committee of either the house of representatives or senate with jurisdiction over the subject matter of the proposed rule votes to advise an agency that the rule should not be adopted as proposed, the agency may not adopt the rule unless the rule is approved by a law enacted after the vote of the committee. Section 14.126, subdivision 2, applies to a vote of a committee under this subdivision.

Subd. 4. **Severability.** If the agency or an administrative law judge determines that part of a proposed rule meets or exceeds the threshold provided in subdivision 2, but that a severable portion of the proposed rule does not meet or exceed that threshold, the agency may proceed to adopt the severable portions of the proposed rule regardless of whether a legislative committee vote is conducted under subdivision 3.

EFFECTIVE DATE. This section is effective August 1, 2017, and applies to administrative rules proposed on or after that date.