

## **BILL ANALYSIS**

Senate Research Center

C.S.S.B. 210  
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Business & Commerce  
4/19/2017  
Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

S.B. 210 prohibits a state agency from adopting a rule that imposes a cost on a person unless the agency repeals or amends two rules that impose a cost in the same amount. The bill requires the Texas comptroller of public accounts to certify that the rule meets these requirements. This requirement does not apply to a rule related to procurement or a rule that is amended to reduce the overall cost to business. S.B. 210 is modeled on H.R. 2997, filed by Representative Michael McCaul in August 2013.

Texas prides itself on maintaining a welcoming environment for businesses to operate. Overly burdensome governmental regulations can hinder the development of our economy. S.B. 210 will ensure that Texas maintains a business-friendly regulatory climate.

On January 20, 2017, President Trump issued an order prohibiting a government agency from adopting a new regulation unless they first remove two existing ones. The goal of the order is to "manage the costs associated with the governmental imposition of private expenditures required to comply with regulations." This order is consistent with the priority list the president issued on November 9th, shortly after his election. This policy approach has a lengthy and successful history in other countries, especially the UK and Canada:

- In June 2001, the Government of British Columbia began an initiative to reduce the number of regulatory requirements by one-third in three years. By 2004, the government had exceeded its one-third target, reducing regulation by 36 percent. These initiatives have been extended through 2019 and British Columbia remains committed to a net zero increase in regulations.
- In January 2011, Canadian Prime Minister Stephen Harper announced the launch of the Red Tape Reduction Commission. In April 2015, the Canadian Parliament passed the Red Tape Reduction Act (Bill C-21), which required that any new regulation that imposes an "administrative burden" on a business must be accompanied by the amendment or repeal of one or more old regulations to offset the cost of the new regulation.
- The UK instituted a "One-In, Two-Out" policy in January 2011 that prevents government policymakers from creating new regulations that increase costs for business and voluntary organizations.
- Recently, Australia has taken similar steps to reduce regulation, removing over 10,000 unnecessary regulations and cutting \$2.3 billion in red tape. (Original Author's / Sponsor's Statement of Intent)

C.S.S.B. 210 amends current law relating to the required repeal or amendment of two state agency rules before adoption of a new state agency rule that increases costs to regulated persons.

### **RULEMAKING AUTHORITY**

Rulemaking authority previously granted to state agencies is modified in SECTION 1 (Section 2001.0045, Government Code) of this bill.

## **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter A, Chapter 2001, Government Code, by adding Section 2001.0045, as follows:

Sec. 2001.0045. REQUIREMENT FOR RULE INCREASING COSTS TO REGULATED PERSONS. (a) Defines "state agency."

(b) Prohibits a state agency, except as provided by Subsection (c), from adopting a proposed rule for which the fiscal note for the notice required by Section 2001.024 (Content of Notice) states that the rule imposes a cost on any regulated person, including another state agency, a special district, and a local government, unless on or before the effective date of the proposed rule the state agency:

(1) repeals two state agency rules that impose total costs on the person in an amount equal to or greater than the cost imposed on the person by the proposed rule;

(2) amends two state agency rules to decrease the total costs imposed on the person by an amount equal to or greater than the cost imposed on the person by the proposed rule; or

(3) repeals one state agency rule and amends one state agency rule to decrease the total costs imposed on the person by an amount equal to or less than the proposed rule.

(c) Provides that this section does not apply to a rule that relates to state agency procurement, or is amended to reduce the burden or responsibilities imposed on a regulated person by the rule or decrease the person's cost for compliance with the rule.

(d) Requires each state agency that adopts a rule subject to this section to comply with the requirements imposed by Subchapter B (Rulemaking) and Chapter 2002 (Texas Register and Administrative Code) for publication in the Texas Register.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Provides that this Act takes effect only if a specific appropriation for the implementation of the Act is provided in a general appropriations act of the 85th Legislature.

SECTION 4. Effective date: September 1, 2017.