1 A bill to be entitled 2 An act relating to administrative procedures; amending 3 s. 120.52, F.S.; defining the term "technical change"; 4 amending s. 120.54, F.S.; requiring a notice of rule 5 development to include certain information; requiring 6 a notice of withdrawal if a notice of proposed rule is 7 not filed within a certain timeframe; requiring a 8 notice of proposed rule to include certain 9 information; requiring certain notices to be published within a specified timeframe; requiring that material 10 11 proposed to be incorporated by reference be made 12 available in a specified manner; authorizing 13 electronic delivery of notices to persons who have requested advance notice of agency rulemaking 14 15 proceedings; requiring publication of a notice of 16 correction in certain circumstances; providing that a notice of correction does not affect certain 17 18 timeframes; revising the circumstances under which a 19 proposed rule's adverse impact on small businesses is considered to exist; requiring an agency to provide 20 21 notice of a regulatory alternative to the 22 Administrative Procedures Committee before filing the 23 rule for adoption; requiring an agency to publish a 24 notice of convening a separate proceeding in certain circumstances; providing that rulemaking timelines are 25

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tolled during such separate proceedings; requiring a notice of change for certain changes to a statement of estimated regulatory costs; revising the requirements for the contents of a notice of change; requiring the committee to notify the Department of State that the date for an agency to adopt a rule has expired under certain circumstances; requiring the department to publish a notice of withdrawal under certain circumstances; requiring that certain information be available on the agency's website; requiring emergency rules to be published in the Florida Administrative Code; prohibiting agencies from making changes to emergency rules by superseding the rule; authorizing an agency to make technical changes to an emergency rule during a specified timeframe; requiring publication of a notice of the technical change in the Florida Administrative Register; requiring an agency to file a copy of a certain petition with the committee; amending s. 120.541, F.S.; requiring an agency to provide a copy of any proposal for a lower cost regulatory alternative to the committee within a certain timeframe; specifying the circumstances under which such a proposal is made in good faith; revising requirements for an agency's consideration of a lower cost regulatory alternative; providing for an agency's

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revision and publication of a revised statement of estimated regulatory costs in response to certain circumstances; requiring that a revised statement of lower cost regulatory alternative be submitted to the rules ombudsman in the Executive Office of the Governor and published in a specified manner; revising the information required in a statement of estimated regulatory cost; deleting the definition of the term "transactional costs"; revising the applicability of specified provisions; providing additional requirements for the calculation of estimated regulatory costs; requiring the department to include specified information on a website; requiring certain agencies to include certain information in a statement of estimated regulatory costs and on their websites; providing certain requirements for an agency that revises a statement of estimated regulatory costs; amending s. 120.545, F.S.; requiring the committee to examine existing rules; authorizing the committee to file an objection in certain instances; amending s. 120.55, F.S.; requiring the Florida Administrative Code to contain complete indexes to any material incorporated by reference contained in the code; requiring the Florida Administrative Register to be published once daily and indicate certain information;

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requiring material incorporated by reference to be filed in a specified manner after a certain date; requiring the department to include the date of a technical change in the Florida Administrative Code; providing that a technical change does not affect the effective date of a rule; requiring a technical change made after rule adoption to be published as a notice of correction; requiring specified rulemaking; amending s. 120.74, F.S.; requiring an agency's regulatory plan to identify and describe each rule the agency plans to develop, adopt, or repeal during the forthcoming year; requiring such plan to include a schedule for rule review and an index and summary of certain rules; requiring the agency to provide a certain list to the Division of Law Revision; requiring a certification in such plan to make certain declarations; requiring an agency to deliver to certain persons a written explanation of noncompliance; providing an effective date.

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

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Section 1. Subsections (20) through (22) of section 120.52, Florida Statutes, are renumbered as subsections (21) through (23), respectively, and a new subsection (20) is added

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101 to that section to read:

- 120.52 Definitions.—As used in this act:
- (20) "Technical change" means a change limited to correcting grammatical, typographical, or similar errors not affecting the substance of the rule.
- Section 2. Subsections (2) and (3) and paragraph (a) of subsection (7) of section 120.54, Florida Statutes, are amended, and paragraphs (e), (f), and (g) are added to subsection (4) of that section, to read:
 - 120.54 Rulemaking.-
 - (2) RULE DEVELOPMENT; WORKSHOPS; NEGOTIATED RULEMAKING. -
- (a) 1. Except when the intended action is the repeal of a rule, agencies shall provide notice of the development of proposed rules by publication of a notice of rule development in the Florida Administrative Register before providing notice of a proposed rule as required by paragraph (3) (a). The notice of rule development must shall indicate the subject area to be addressed by rule development, provide a short, plain explanation of the purpose and effect of the proposed rule, cite the grant of rulemaking authority for the proposed rule and the law being implemented specific legal authority for the proposed rule, and include the proposed rule number and the preliminary text of the proposed rule rules, if available, or a statement of how a person may promptly obtain, without cost, a copy of any preliminary draft, when if available.

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2. If a notice of a proposed rule is not filed within 12 months after the notice of rule development, the agency shall withdraw the rule and give notice of the withdrawal in the next available issue of the Florida Administrative Register.

- (b) All rules should be drafted in readable language. The language is readable if:
- 1. It avoids the use of obscure words and unnecessarily long or complicated constructions; and
- 2. It avoids the use of unnecessary technical or specialized language that is understood only by members of particular trades or professions.
- (c) An agency may hold public workshops for purposes of rule development. If requested in writing by any affected person, an agency must hold public workshops, including workshops in various regions of the state or the agency's service area, for purposes of rule development if requested in writing by any affected person, unless the agency head explains in writing why a workshop is unnecessary. The explanation is not final agency action subject to review pursuant to ss. 120.569 and 120.57. The failure to provide the explanation when required may be a material error in procedure pursuant to s. 120.56(1)(c). When a workshop or public hearing is held, the agency must ensure that the persons responsible for preparing the proposed rule are available to explain the agency's proposal and to respond to questions or comments regarding the rule being

developed. The workshop may be facilitated or mediated by a neutral third person, or the agency may employ other types of dispute resolution alternatives for the workshop that are appropriate for rule development. Notice of a workshop for rule development must workshop shall be by publication in the Florida Administrative Register not fewer less than 14 days before prior to the date on which the workshop is scheduled to be held and must shall indicate the subject area that which will be addressed; the agency contact person; and the place, date, and time of the workshop.

- (d)1. An agency may use negotiated rulemaking in developing and adopting rules. The agency should consider the use of negotiated rulemaking when complex rules are being drafted or strong opposition to the rules is anticipated. The agency should consider, but is not limited to considering, whether a balanced committee of interested persons who will negotiate in good faith can be assembled, whether the agency is willing to support the work of the negotiating committee, and whether the agency can use the group consensus as the basis for its proposed rule. Negotiated rulemaking uses a committee of designated representatives to draft a mutually acceptable proposed rule.
- 2. An agency that chooses to use the negotiated rulemaking process described in this paragraph shall publish in the Florida Administrative Register a notice of negotiated rulemaking that

includes a listing of the representative groups that will be invited to participate in the negotiated rulemaking process. Any person who believes that his or her interest is not adequately represented may apply to participate within 30 days after publication of the notice. All meetings of the negotiating committee shall be noticed and open to the public pursuant to the provisions of this chapter. The negotiating committee shall be chaired by a neutral facilitator or mediator.

- 3. The agency's decision to use negotiated rulemaking, its selection of the representative groups, and approval or denial of an application to participate in the negotiated rulemaking process are not agency action. Nothing in This subparagraph is not intended to affect the rights of a substantially an affected person to challenge a proposed rule developed under this paragraph in accordance with s. 120.56(2).
 - (3) ADOPTION PROCEDURES. -
 - (a) Notices.-

1. Before 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 proposed rule number and 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 a reference to the

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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), which describes the regulatory impact of the proposed rule in readable language; an agency website address where the statement of estimated regulatory costs can be viewed in its entirety, if one has been prepared; 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 the estimated regulatory costs or other information expressly relied upon and described by the agency if no statement of regulatory costs is required, 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 Register at least 7 days after the publication of

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the notice of rule development and at least not less than 28 days before prior to the intended action. The proposed rule, including all materials proposed to be incorporated by reference and the statement of estimated regulatory costs, if one has been prepared, must shall be available for inspection and copying by the public at the time of the publication of notice. After December 31, 2022, material proposed to be incorporated by reference in the notice required by this paragraph must be made available in the manner prescribed by sub-subparagraph (1)(i)3.a. or sub-subparagraph (1)(i)3.b.

- 3. The notice shall be mailed to all persons named in the proposed rule and mailed or delivered electronically to all persons who, at least 14 days before publication of the notice 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 persons to whom the intended action is directed.
- 4. The adopting agency shall file with the committee, at least 21 days <u>before</u> 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.

- 5. If any of the information, other than substantive changes to the rule text, which is required to be included in the notice required by subparagraph 1., is omitted or is incorrect, the agency must publish a notice of correction. A notice of correction does not affect the timeframes for filing the rule for adoption as set forth in paragraph (e). Technical changes are not required to be published as a notice of correction.
 - (b) Special matters to be considered in rule adoption.-
- 1. Statement of estimated regulatory costs.—Before 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. -

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- (I) An owner, officer, operator, or manager must complete any education, training, or testing to comply with the rule in the first year or is likely to spend at least 10 hours or purchase professional advice to understand and comply with the rule in the first year;
- (II) Taxes or fees assessed on transactions are likely to increase by \$500 or more in the aggregate in 1 year because of the rule;
- (III) Prices charged for goods and services are restricted or are likely to increase because of the rule;
- (IV) Specially trained, licensed, or tested employees will be required because of the rule;
- (V) Operating costs are expected to increase by at least \$1,000 annually because of the rule; or
- (VI) Capital expenditures in excess of \$1,000 are necessary to comply with the rule.
- <u>b.</u> Each agency, before the adoption, amendment, or repeal of a rule, shall consider the impact of the rule on small businesses as defined <u>in</u> by s. 288.703 and the impact of the rule on small counties or small cities as defined <u>in</u> by s. 120.52. Whenever practicable, an agency shall tier its rules to reduce disproportionate impacts on small businesses, small

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counties, or small cities to avoid regulating small businesses, small counties, or small cities that do not contribute significantly to the problem the rule is designed to address. An agency may define "small business" to include businesses employing more than 200 persons, may define "small county" to include those with populations of more than 75,000, and may define "small city" to include those with populations of more than 10,000, if it finds that such a definition is necessary to adapt a rule to the needs and problems of small businesses, small counties, or small cities. The agency shall consider each of the following methods for reducing the impact of the proposed rule on small businesses, small counties, and small cities, or any combination 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.
 - c.(I) b.(I) If the agency determines that the proposed

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action will affect small businesses as defined by the agency as provided in sub-subparagraph \underline{b} . \underline{a} , the agency shall send written notice of the rule to the rules ombudsman in the Executive Office of the Governor at least 28 days before the intended action.

- offered by the rules ombudsman in the Executive Office of the Governor and provided to the agency no later than 21 days after the rules ombudsman'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 rules ombudsman in the Executive Office of the Governor, the 90-day period for filing the rule in subparagraph (e)2. is extended for a period of 21 days. At least 21 days before filing the rule for adoption, the agency shall provide a copy of any regulatory alternative offered to the agency to the committee.
- (III) If an agency does not adopt all alternatives offered pursuant to this sub-subparagraph, it shall, before 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 after the filing of such notice, the agency shall send a copy of such notice to the rules ombudsman in the Executive

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- (c) Hearings.-
- If the intended action concerns any rule other than one relating exclusively to procedure or practice, the agency shall, on the request of any affected person received within 21 days after the date of publication of the notice of intended agency action, give affected persons an opportunity to present evidence and argument on all issues under consideration. The agency may schedule a public hearing on the proposed rule and, if requested by any affected person, shall schedule a public hearing on the proposed rule. When a public hearing is held, the agency must ensure that staff are available to explain the agency's proposal and to respond to questions or comments regarding the proposed rule. If the agency head is a board or other collegial body created under s. 20.165(4) or s. 20.43(3)(q), and one or more requested public hearings is scheduled, the board or other collegial body shall conduct at least one of the public hearings itself and may not delegate this responsibility without the consent of those persons requesting the public hearing. Any material pertinent to the issues under consideration submitted to the agency within 21 days after the date of publication of the notice or submitted to the agency between the date of publication of the notice and the end of the final public hearing shall be considered by the agency and made a part of the record of the rulemaking proceeding.

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- Rulemaking proceedings shall be governed solely by the provisions of this section unless a person timely asserts that the person's substantial interests will be affected in the proceeding and affirmatively demonstrates to the agency that the proceeding does not provide adequate opportunity to protect those interests. If the agency determines that the rulemaking proceeding is not adequate to protect the person's interests, it shall suspend the rulemaking proceeding and convene a separate proceeding under the provisions of ss. 120.569 and 120.57. The agency shall publish notice of convening a separate proceeding in the Florida Administrative Register. Similarly situated persons may be requested to join and participate in the separate proceeding. Upon conclusion of the separate proceeding, the rulemaking proceeding shall be resumed. All timelines in this section are tolled during any suspension of the rulemaking proceeding under this subparagraph, beginning on the date the notice of convening a separate proceeding is published and resuming on the day after the conclusion of the separate proceeding.
 - (d) Modification or withdrawal of proposed rules.-
- 1. After the final public hearing on the proposed rule, or after the time for requesting a hearing has expired, if the proposed rule has not been changed from the proposed rule as previously filed with the committee, or contains only technical changes, the adopting agency shall file a notice to that effect

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with the committee at least 7 days before prior to filing the proposed 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 proposed 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. Any change, other than a technical change, to a statement of estimated regulatory costs requires a notice of change. In addition, when any change, other than a technical change, to the text of is made in a proposed rule or any material incorporated by reference requires, other than a technical change, the adopting agency to 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 before prior to filing the proposed rule for adoption. The notice of change shall be published in the Florida Administrative Register at least 21 days before prior to filing the proposed rule for adoption. The notice of change must include a summary of any revision to a

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statement of estimated regulatory costs required by s.

120.541(1)(c). This subparagraph does not apply to emergency rules adopted pursuant to subsection (4). After December 31,

2022, material proposed to be incorporated by reference in the notice required by this paragraph must be made available in the manner prescribed by sub-subparagraph (1)(i)3.a. or sub-subparagraph (1)(i)3.b.

- 2. After the notice required by paragraph (a) and <u>before</u> prior to adoption, the agency may withdraw the <u>proposed</u> rule in whole or in part.
- 3. After the notice required by paragraph (a), the agency shall withdraw the proposed rule if the agency has failed to adopt it within the prescribed timeframes in this chapter. The committee shall notify the agency that it has exceeded the timeframe to adopt the proposed rule. If, 30 days after notice by the committee, the agency has not given notice of the withdrawal of the rule, the committee shall notify the Department of State that the date for adoption of the rule has expired, and the Department of State shall publish a notice of withdrawal of the proposed rule.
- $\underline{4.3.}$ After adoption and before the rule becomes effective, 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, which is not subject to further

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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. If the rule requires ratification, when more than 90 days have passed since the rule was filed for adoption without the Legislature ratifying the rule, in which case the rule may be withdrawn but may not be modified; or
- d. When the committee notifies 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.
- 5.4. 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.
- $\underline{6.5.}$ 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 in the Florida Administrative Code, the agency, upon approval of the agency head, shall file with the Department of State three

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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 at a readily accessible page on the agency's website, 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 before 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 before 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 of State 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 of State; 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.

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- 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 the rule shall withdraw the <u>proposed</u> rule and give notice of its action in the next available issue of the Florida Administrative Register.
- 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., 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, 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.

(4) EMERGENCY RULES.—

- (e) Emergency rules shall be published in the Florida Administrative Code.
- (f) An agency may not supersede an emergency rule currently in effect.
- (g) An agency may make technical changes to an emergency rule within the first 7 days after the rule is adopted and must publish a notice of the technical change in the Florida Administrative Register.
 - (7) PETITION TO INITIATE RULEMAKING. -
- (a) Any person regulated by an agency or having substantial interest in an agency rule may petition an agency to adopt, amend, or repeal a rule or to provide the minimum public information required by this chapter. The petition shall specify the proposed rule and action requested. The agency shall file a copy of the petition with the committee. Not later than 30 calendar days following the date of filing a petition, the agency shall initiate rulemaking proceedings under this chapter, otherwise comply with the requested action, or deny the petition with a written statement of its reasons for the denial.
- Section 3. Section 120.541, Florida Statutes, is amended to read:
 - 120.541 Statement of estimated regulatory costs.

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(1)(a) Within 21 days after publication of the notice of a proposed rule or notice of change required under s. $\frac{120.54(3)}{(a)}$, a substantially affected person may submit to an agency a good faith written proposal for a lower cost regulatory alternative to a proposed rule which substantially accomplishes the objectives of the law being implemented. The agency shall provide a copy of any proposal for a lower cost regulatory alternative to the committee at least 21 days before filing the rule for adoption. The proposal may include the alternative of not adopting any rule if the proposal explains how the lower costs and objectives of the law will be achieved by not adopting any rule. If submitted after a notice of change, a proposal for a lower cost regulatory alternative is deemed to be made in good faith only if the person reasonably believes, and the proposal states the person's reasons for believing, that the proposed rule as changed by the notice of change increases the regulatory costs or creates an adverse impact on small businesses that was not created by the previous proposed rule. If such a proposal is submitted, the 90-day period for filing the rule is extended 21 days. Upon the submission of the lower cost regulatory alternative, the agency shall prepare a statement of estimated regulatory costs as provided in subsection (2), or shall revise its prior statement of estimated regulatory costs, and either adopt the alternative proposal, reject the alternative proposal, or modify the proposed rule to reduce the regulatory costs. If

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the agency rejects the alternative proposal or modifies the proposed rule, the agency shall or provide a statement of the reasons for rejecting the alternative in favor of the proposed rule.

- (b) If a proposed rule will have an adverse impact on small business or if the proposed rule is likely to directly or indirectly increase regulatory costs in excess of \$200,000 in the aggregate within 1 year after the implementation of the rule, the agency shall prepare a statement of estimated regulatory costs as required by s. 120.54(3)(b).
- (c) The agency shall revise a statement of estimated regulatory costs if any change to the rule made under s. 120.54(3)(d) increases the regulatory costs of the rule or if the rule is modified in response to the submission of a lower cost regulatory alternative. A summary of the revised statement must be included with any subsequent notice published under s. 120.54(3).
- (d) At least 21 days before filing the <u>proposed</u> 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, to the rules ombudsman in the Executive Office of the Governor, and to the committee. The revised statement shall be published and made available in the same manner as the original statement of estimated regulatory costs and shall provide notice on the

agency's website that it is available to the public.

- (e) Notwithstanding s. 120.56(1)(c), the failure of the agency to prepare and publish a statement of estimated regulatory costs or to respond to a written lower cost regulatory alternative as provided in this subsection is a material failure to follow the applicable rulemaking procedures or requirements set forth in this chapter.
- (f) An agency's failure to prepare <u>and publish</u> a statement of estimated regulatory costs or to respond to a written lower cost regulatory alternative may not be raised in a proceeding challenging the validity of a rule pursuant to s. 120.52(8)(a) unless:
- 1. Raised in a petition filed no later than 1 year after the effective date of the rule; and
- 2. Raised by a person whose substantial interests are affected by the rule's regulatory costs.
- (g) A rule that is challenged pursuant to s. 120.52(8)(f) may not be declared invalid unless:
- 1. The issue is raised in an administrative proceeding within 1 year after the effective date of the rule;
- 2. The challenge is to the agency's rejection of a lower cost regulatory alternative offered under paragraph (a) or \underline{s} . $\underline{120.54(3)}$ (b) $\underline{2.c}$. \underline{s} . $\underline{120.54(3)}$ (b) $\underline{2.b}$.; and
- 3. The substantial interests of the person challenging the rule are materially affected by the rejection.

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(2) A statement of estimated regulatory costs $\underline{\text{must}}$ $\underline{\text{shall}}$ include:

- (a) An economic analysis showing whether the rule directly or indirectly:
- 1. Is likely to have an adverse impact on economic growth, private sector job creation or employment, or private sector investment in excess of \$1 million in the aggregate within 5 years after the implementation of the rule;
- 2. Is likely to have an adverse impact on business competitiveness, including the ability of persons doing business in the state to compete with persons doing business in other states or domestic markets, productivity, or innovation in excess of \$1 million in the aggregate within 5 years after the implementation of the rule; or
- 3. Is likely to increase regulatory costs, including <u>all</u> any transactional costs <u>and impacts estimated in the statement</u> of estimated regulatory costs, in excess of \$1 million in the aggregate within 5 years after the implementation of the rule.
- (b) A good faith estimate of the number of individuals, small businesses, and other entities likely to be required to comply with the rule, together with a general description of the types of individuals likely to be affected by the rule.
- (c) A good faith estimate of the cost to the agency, and to any other state and local government entities, of implementing and enforcing the proposed rule, and any

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anticipated effect on state or local revenues.

- (d) A good faith estimate of the <u>compliance</u> transactional costs likely to be incurred by individuals and entities, including local government entities, required to comply with the requirements of the rule. As used in this section, "transactional costs" are direct costs that are readily ascertainable based upon standard business practices, and include filing fees, the cost of obtaining a license, the cost of equipment required to be installed or used or procedures required to be employed in complying with the rule, additional operating costs incurred, the cost of monitoring and reporting, and any other costs necessary to comply with the rule.
- (e) An analysis of the impact on small businesses as defined in by s. 288.703_{7} and an analysis of the impact on small counties and small cities as defined in s. 120.52. The impact analysis for small businesses must include the basis for the agency's decision not to implement alternatives that would reduce adverse impacts on small businesses.
- (f) Any additional information that the agency determines may be useful.
- (g) In the statement or revised statement, whichever applies, a description of any regulatory alternatives submitted under paragraph (1)(a) and a statement adopting the alternative or a statement of the reasons for rejecting the alternative in favor of the proposed rule.

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(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 before prior to the next regular legislative session, and the rule may not take effect until it is ratified by the Legislature.

- (4) Subsection (3) does not apply to the adoption of:
- (a) Federal standards pursuant to s. 120.54(6).
- (b) Triennial updates of and amendments to the Florida Building Code which are expressly authorized by s. 553.73.
- (c) Triennial updates of and amendments to the Florida Fire Prevention Code which are expressly authorized by s. 633.202.
 - (d) Emergency rules adopted pursuant to s. 120.54(4).
- (5) For purposes of subsections (2) and (3), adverse impacts and regulatory costs likely to occur within 5 years after implementation of the rule include adverse impacts and regulatory costs estimated to occur within 5 years after the effective date of the rule. However, if any provision of the rule is not fully implemented upon the effective date of the rule, the adverse impacts and regulatory costs associated with such provision must be adjusted to include any additional adverse impacts and regulatory costs estimated to occur within 5 years after implementation of such provision.

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((6)(a) I	n evalu	atin	g the :	impact	so	lescri	bed in	n paragrap	hs
(2)(a)	and (e)	, an ac	gency	shall	inclu	ıde	good	faith	estimates	of
market	impacts	likely	, to	result	from	com	npliar	nce wit	th the	
propose	ed rule,	includ	ling:							

- 1. Increased customer charges for goods or services.
- 2. Decreased market value of goods or services produced, provided, or sold.
- 3. Increased costs resulting from the purchase of substitute or alternative goods or services.
- 4. The reasonable value of time to be spent by owners, officers, operators, and managers to understand and comply with the proposed rule, including, but not limited to, time to be spent to complete required education, training, or testing.
 - 5. Capital costs.

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- 6. Any other impacts suggested by the rules ombudsman in the Executive Office of the Governor or interested persons.
- (b) In estimating and analyzing the information required in paragraphs (2) (b) (e), the agency may use surveys of individuals, businesses, business organizations, counties, and municipalities to collect data helpful to estimate and analyze the costs and impacts.
- (c) In estimating compliance costs under paragraph (2) (d), the agency shall consider, among other matters, all direct and indirect costs necessary to comply with the proposed rule that are readily ascertainable based upon standard business

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751	practices, including, but not limited to, costs related to:
752	1. Filing fees.
753	2. Expenses to obtain a license.
754	3. Necessary equipment.
755	4. Installation, utilities, and maintenance of necessary
756	equipment.
757	5. Necessary operations and procedures.
758	6. Accounting, financial, information management, and
759	other administrative processes.
760	7. Other processes.
761	8. Labor based on relevant rates of wages, salaries, and
762	benefits.
763	9. Materials and supplies.
764	10. Capital expenditures, including financing costs.
765	11. Professional and technical services, including
766	contracted services necessary to implement and maintain
767	compliance.
768	12. Monitoring and reporting.
769	13. Qualifying and recurring education, training, and
770	testing.
771	14. Travel.
772	15. Insurance and surety requirements.
773	16. A fair and reasonable allocation of administrative
774	costs and other overhead.
775	17 Reduced sales or other revenues

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18. Other items suggested by the rules ombudsman in the Executive Office of the Governor or any interested person, business organization, or business representative.

- (7) (a) The Department of State shall include on the Florida Administrative Register website the agency website addresses where statements of estimated regulatory costs may be viewed in their entirety.
- (b) An agency that prepares a statement of estimated regulatory costs must provide, as part of the notice required under s. 120.54(3)(a), the agency website address where the statement of estimated regulatory costs can be read in its entirety to the Department of State for publication in the Florida Administrative Register.
- (c) If an agency revises its statement of estimated regulatory costs, the agency must provide notice that a revision has been made as provided in s. 120.54(3)(d). Such notice must include the agency website address where the revision can be viewed in its entirety.
- Section 4. Subsections (1) and (2) of section 120.545, Florida Statutes, are amended to read:
 - 120.545 Committee review of agency rules.—
- (1) As a legislative check on legislatively created authority, the committee shall examine each <u>existing rule and</u> proposed rule, except for those proposed rules exempted by s. 120.81(1)(e) and (2), and its accompanying material, and each

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emergency rule, and may examine any existing rule, for the purpose of determining whether:

- (a) The rule is an invalid exercise of delegated legislative authority.
- (b) The statutory authority for the rule has been repealed.
 - (c) The rule reiterates or paraphrases statutory material.
 - (d) The rule is in proper form.

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- (e) The notice given <u>before</u> prior to its adoption was sufficient to give adequate notice of the purpose and effect of the rule.
- (f) The rule is consistent with expressed legislative intent pertaining to the specific provisions of law which the rule implements.
- (g) The rule is necessary to accomplish the apparent or expressed objectives of the specific provision of law which the rule implements.
- (h) The rule is a reasonable implementation of the law as it affects the convenience of the general public or persons particularly affected by the rule.
- (i) The rule could be made less complex or more easily comprehensible to the general public.
- (j) The rule's statement of estimated regulatory costs complies with the requirements of s. 120.541 and whether the rule does not impose regulatory costs on the regulated person,

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county, or city which could be reduced by the adoption of less costly alternatives that substantially accomplish the statutory objectives.

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- (k) The rule will require additional appropriations.
- (1) If the rule is an emergency rule, there exists an emergency justifying the adoption of such rule, the agency is within its statutory authority, and the rule was adopted in compliance with the requirements and limitations of s. 120.54(4).
- (2) The committee may request from an agency such information as is reasonably necessary for examination of a rule as required by subsection (1). The committee shall consult with legislative standing committees having jurisdiction over the subject areas. If the committee objects to a rule, the committee shall, within 5 days after the objection, certify that fact to the agency whose rule has been examined and include with the certification a statement detailing its objections with particularity. The committee may file an objection for the failure of an agency to repeal or amend an existing rule which the committee identifies as being inconsistent with the powers and duties granted by its enabling statute or having no enabling statute. The committee shall notify the Speaker of the House of Representatives and the President of the Senate of any objection to an agency rule concurrent with certification of that fact to the agency. Such notice shall include a copy of the rule and the

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statement detailing the committee's objections to the rule.

Section 5. Paragraphs (a) and (c) of subsection (1) of section 120.55, Florida Statutes, are amended to read:

120.55 Publication.-

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- (1) The Department of State shall:
- Through a continuous revision and publication system, compile and publish electronically, on a website managed by the department, the "Florida Administrative Code." The Florida Administrative Code shall contain all rules adopted by each agency, citing the grant of rulemaking authority and the specific law implemented pursuant to which each rule was adopted, all history notes as authorized in s. 120.545(7), complete indexes to all rules and any material incorporated by reference contained in the code, and any other material required or authorized by law or deemed useful by the department. The electronic code shall display each rule chapter currently in effect in browse mode and allow full text search of the code and each rule chapter. The department may contract with a publishing firm for a printed publication; however, the department shall retain responsibility for the code as provided in this section. The electronic publication shall be the official compilation of the administrative rules of this state. The Florida Administrative Register shall be published once daily by 8 a.m. If, after publication, a rule is corrected and replaced, the Florida Administrative Register shall indicate:

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<u>a. That the Florida Administrative Register has been</u> republished.

- b. The rule that has been corrected by the Department of State.
- The Department of State shall retain the copyright over the Florida Administrative Code.
- 2. Not publish in the Florida Administrative Code rules general in form but applicable to only one school district, community college district, or county, or a part thereof, or state university rules relating to internal personnel or business and finance shall not be published in the Florida Administrative Code. Exclusion from publication in the Florida Administrative Code does shall not affect the validity or effectiveness of such rules.
- 3. At the beginning of the section of the code dealing with an agency that files copies of its rules with the department, the department shall publish the address and telephone number of the executive offices of each agency, the manner by which the agency indexes its rules, a listing of all rules of that agency excluded from publication in the code, a listing of all forms and material incorporated by reference adopted by rule which are used by the agency, and a statement as to where those rules may be inspected.
 - 4. Not publish forms shall not be published in the Florida

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Administrative Code. However,; but any form that which an agency uses in its dealings with the public, along with any accompanying instructions, shall be filed with the committee before it is used. Any form or instruction which meets the definition of the term "rule" as defined provided in s. 120.52 shall be incorporated by reference into the appropriate rule. The reference shall specifically state that the form is being incorporated by reference and shall include the number, title, and effective date of the form and an explanation of how the form may be obtained. Each form created by an agency which is incorporated by reference in a rule notice of which is given under s. 120.54(3)(a) after December 31, 2007, must clearly display the number, title, and effective date of the form and the number of the rule in which the form is incorporated.

5. Require all materials incorporated by reference in any part of an adopted rule after December 31, 2022, The department shall allow adopted rules and material incorporated by reference to be filed in the manner prescribed by s. 120.54(1)(i)3.a. or b. electronic form as prescribed by department rule. When a rule is filed for adoption with incorporated material in electronic form, the department's publication of the Florida Administrative Code on its website must contain a hyperlink from the incorporating reference in the rule directly to that material. The department may not allow hyperlinks from rules in the Florida Administrative Code to any material other than that

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filed with and maintained by the department, but may allow hyperlinks to incorporated material maintained by the department from the adopting agency's website or other sites.

- 6. Include the date of any technical changes to a rule in the history note of the rule in the Florida Administrative Code.

 A technical change does not affect the effective date of the rule. A technical change made after the adoption of a rule must be published as a notice of correction.
- (c) Prescribe by rule the style and form required for rules, notices, and other materials submitted for filing, including a rule requiring documents created by an agency that are proposed to be incorporated by reference in notices published pursuant to s. 120.54(3)(a) and (d) to be coded in the same manner as notices published pursuant to s. 120.54(3)(a)1.
- Section 6. Subsection (1), paragraph (a) of subsection (2), and subsection (8) of section 120.74, Florida Statutes, are amended to read:
- 120.74 Agency annual rulemaking and regulatory plans; reports.—
- (1) REGULATORY PLAN.—By October 1 of each year, each agency shall prepare a regulatory plan.
- (a) The plan must include a listing of each law enacted or amended during the previous 12 months which creates or modifies the duties or authority of the agency. If the Governor or the Attorney General provides a letter to the committee stating that

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a law affects all or most agencies, the agency may exclude the law from its plan. For each law listed by an agency under this paragraph, the plan must state:

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- 1. Whether the agency must adopt rules to implement the law.
 - 2. If rulemaking is necessary to implement the law:
- a. Whether a notice of rule development has been published and, if so, the citation to such notice in the Florida Administrative Register.
- b. The date by which the agency expects to publish the notice of proposed rule under s. 120.54(3) (a).
- 3. If rulemaking is not necessary to implement the law, a concise written explanation of the reasons why the law may be implemented without rulemaking.
- (b) The plan must also identify and describe each rule, including each rule number or proposed rule number, that include a listing of each law not otherwise listed pursuant to paragraph (a) which the agency expects to develop, adopt, or repeal for the 12-month period beginning on October 1 and ending on September 30 implement by rulemaking before the following July 1, excluding emergency rules except emergency rulemaking. For each rule identified and described law listed under this paragraph, the plan must state whether the rulemaking is intended to simplify, clarify, increase efficiency, improve coordination with other agencies, reduce regulatory costs, or

976 delete obsolete, unnecessary, or redundant rules.

- (c) The plan must include any desired update to the prior year's regulatory plan or supplement published pursuant to subsection (7). If, in a prior year, a law was identified under this paragraph or under subparagraph (a)1. as a law requiring rulemaking to implement but a notice of proposed rule has not been published:
- 1. The agency shall identify and again list such law, noting the applicable notice of rule development by citation to the Florida Administrative Register; or
- 2. If the agency has subsequently determined that rulemaking is not necessary to implement the law, the agency shall identify such law, reference the citation to the applicable notice of rule development in the Florida Administrative Register, and provide a concise written explanation of the reason why the law may be implemented without rulemaking.
- (d)1. The plan must include a schedule for the agency to review its rules for consistency with the powers and duties granted by their enabling statutes in accordance with this paragraph. Each agency must review all of its rules existing before July 1, 2022, in accordance with this paragraph by July 1, 2027. All rules adopted on or after July 1, 2022, and all existing rules reviewed initially by July 1, 2027, shall be reviewed every 10 years after their respective dates of adoption

or review. This schedule shall be updated on an annual basis to ensure that all rules are reviewed every 10 years after their respective dates of adoption or review.

- 2. The plan must include an index and summary of rules reviewed during the previous year listed by number and title. The index must indicate:
- <u>a. The rules reviewed pursuant to this paragraph that are consistent with the powers and duties granted by their enabling statutes.</u>
- b. The rules reviewed pursuant to this paragraph that require amendments to remove portions of the rules that are inconsistent with the powers and duties granted by their enabling statutes. A summary of the required amendments and a schedule for rulemaking to amend such rules shall be provided.
- c. The rules reviewed pursuant to this paragraph that will be repealed in their entirety because they do not have enabling statutes. A schedule for the repeal of such rules shall be provided.
- d. A list of all statutes and laws, or parts thereof, that grant duplicative, redundant, or unused rulemaking authority, as set out in s. 11.242(5)(j), and a recommendation as to which statutes and laws, or parts thereof, should be repealed. The agency must also provide the list to the Division of Law Revision.
 - (e) (d) The plan must include a certification executed on

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behalf of the agency by both the agency head, or, if the agency head is a collegial body, the presiding officer; and the individual acting as principal legal advisor to the agency head.

The certification must declare:

1. Verify That the persons executing the certification have reviewed the plan.

- 2. Verify That the agency regularly reviews all of its rules and identify the period during which all rules have most recently been reviewed to determine if the rules remain consistent with the agency's rulemaking authority and the laws implemented.
- 3. That the agency understands that regulatory accountability is necessary to ensure public confidence in the integrity of state government and, to that end, the agency is diligently working toward reducing the number of regulatory requirements consistent with the agency's rulemaking authority and the laws implemented.
- 4. The total number of rules adopted and repealed during the previous 12 months.
- 5. That all actions set forth in the prior annual regulatory plan have been completed or are on a schedule to be completed.
- 6. That all materials incorporated by reference in the rules reviewed are available in the manner prescribed by s. 120.54(1)(i)3.a. or b.

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(2) PUBLICATION AND DELIVERY TO THE COMMITTEE. -

- (a) By October 1 of each year, each agency shall:
- 1. Publish its regulatory plan on its website or on another state website established for publication of administrative law records. A clearly labeled hyperlink to the current plan must be included on the agency's primary website homepage.
- 2. Electronically deliver to the committee a copy of the certification required in paragraph (1)(e) $\frac{(1)(d)}{(1)}$.
- 3. Publish in the Florida Administrative Register a notice identifying the date of publication of the agency's regulatory plan. The notice must include a hyperlink or website address providing direct access to the published plan.
- (8) FAILURE TO COMPLY.—If an agency fails to comply with a requirement of <u>subsection (1)</u>, paragraph (2)(a), or subsection (5), within 15 days after written demand from the committee or from the chair of any other legislative committee, the agency shall deliver a written explanation of the reasons for noncompliance to the committee, the President of the Senate, the Speaker of the House of Representatives, and the chair of any legislative committee requesting the explanation of the reasons for noncompliance.
 - Section 7. This act shall take effect July 1, 2022.

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