

MAINE STATE LEGISLATURE

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118th MAINE LEGISLATURE

FIRST REGULAR SESSION-1997

Legislative Document

No. 583

H.P. 433

House of Representatives, January 28, 1997

An Act to Establish Cost-benefit Analysis for Environmental Rules.

Reference to the Committee on Natural Resources suggested and ordered printed.

A handwritten signature in cursive script that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative WATERHOUSE of Bridgton.
Cosponsored by Senator CAREY of Kennebec and
Representatives: BUCK of Yarmouth, CARLETON of Wells, KERR of Old Orchard Beach,
LEMONT of Kittery, PLOWMAN of Hampden, TRIPP of Topsham.

Be it enacted by the People of the State of Maine as follows:

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4 **Sec. 1. 5 MRSA §8053-A, sub-§1**, as repealed and replaced by PL 1989, c. 574, §5, is amended to read:

6 **1. Proposed rules.** At the time of giving notice of
8 rulemaking under section 8053 or within 10 days following the
10 adoption of an emergency rule, the agency shall provide to the
12 Legislature, in accordance with subsection 3, a fact sheet
14 providing the information as described in section 8057-A,
subsection 1 and, if the agency is the Board of Environmental
Protection or the Department of Environmental Protection, with
the information described in Title 38, section 341-D, subsection
1-C.

16 A. If an agency determines that a rule ~~which~~ that it
18 intends to adopt will be substantially different from the
20 proposed rule, it shall provide the Legislature with a
22 revised fact sheet with the information defined in section
24 8057-A, subsection 1 and, if the agency is the Board of
Environmental Protection or the Department of Environmental
26 Protection, with the information described in Title 38,
section 341-D, subsection 1-C, as it relates to the
substantially different rule. The revised fact sheet shall
must be provided to the Legislature in accordance with
subsection 3.

28 **Sec. 2. 5 MRSA §11114, sub-§2**, as enacted by PL 1981, c. 524,
30 §15, is amended to read:

32 **2. Reasonableness of effects.** Whether the effects of the
34 rule are reasonable, including its benefits and costs, and
including costs of compliance and administration. When reviewing
36 a rule of the Board of Environmental Protection or the Department
of Environmental Protection, the committee shall consider under
38 this subsection the information developed by the board or
department under section 8057-A, subsection 1, paragraphs C and D
and subsection 2 and under Title 38, section 341-D, subsection
1-C;

40 **Sec. 3. 38 MRSA §341-D, sub-§1-C** is enacted to read:

42 **1-C. Cost-benefit analysis.** When providing information to
44 legislative committees pertaining to rules review under Title 5,
section 8053-A or chapter 377-A, the board or department shall
46 provide the following information in addition to that required
under Title 5, section 8057-A:

48 A. A determination that the rule is the most cost-effective
50 method for achieving the stated purpose;

2 B. A determination that the rule represents the most
4 efficient allocation of public and private resources to
6 achieve the stated purpose;

8 C. The source of revenue to be used for implementing and
10 enforcing the rule;

12 D. A determination of the probable result of the rule in
14 terms of the number of public and private jobs that will be
16 created, retained or eliminated;

18 E. A determination of the relative impact of the rule on
20 firms of differing sizes to the extent this determination is
22 not made under Title 5, section 8057-A;

24 F. A determination of the effect of the rule on competition
26 within the State, with other states and with regions in the
28 regulated community and on potential global competition;

30 G. A determination of the effect of the rule on the state
32 tax base;

34 H. A determination of the effect of the rule on the cost of
36 living;

38 I. A description of any increase or decrease in costs to
40 the State and its political subdivisions, including revenues
42 that may be lost because of the rule and the estimated
44 dollar measure of the costs; and

46 J. A conclusion as to the economic impact of the rule upon
48 all persons substantially affected by it, including an
analysis containing a description as to which persons will
bear the costs of the action and which persons will benefit
directly and indirectly from the action.

If any of the information required under paragraphs A to J is not
provided, the board or department shall specifically note its
omission, the reason for its omission, the importance of any
omitted relevant information to a complete and realistic
assessment of the economic impact of the rule and the additional
time and effort required to obtain any information needed for the
assessment.

The board or department shall make the information required under
this subsection available to each member of the Legislature at
the time it is released.

Sec. 4. Effective date. This Act takes effect January 1, 1998.

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SUMMARY

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This bill amends the current procedures for legislative review of agency rules. It adds to the existing requirements for economic impact information pertaining to proposed and adopted rules. For environmental rules, the Board of Environmental Protection or the Department of Environmental Protection must supply the Legislature with further cost-benefit analyses.

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