

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
03/01/2017	894a	Comm report: To pass as amended and re-refer to Jobs and Economic Growth Finance and Policy
03/09/2017	1218	Comm report: To pass and re-referred to Finance
04/24/2017	3293	Comm report: To pass
	3294	Second reading
05/16/2017	5286a	Rule 45-amend, subst. General Orders HF1001 See SF605, Art. 4, Sec. 16 (vetoed) See SF1937, Art. 12, Sec. 1

1.1 A bill for an act

1.2 relating to administrative rulemaking; requiring agencies to determine the impact

1.3 of a proposed rule on the cost of residential construction or remodeling; requiring

1.4 notice to the applicable legislative committees; permitting a legislative committee

1.5 to require approval of a rule by law; proposing coding for new law in Minnesota

1.6 Statutes, chapter 14.

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

1.8 Section 1. **[14.1275] RULES IMPACTING RESIDENTIAL CONSTRUCTION OR**

1.9 **REMODELING; LEGISLATIVE NOTICE AND REVIEW.**

1.10 Subdivision 1. **Definition.** As used in this section, "residential construction" means the

1.11 new construction or remodeling of any building subject to the Minnesota Residential Code.

1.12 Subd. 2. **Impact on housing cost; agency determination.** An agency must determine

1.13 if implementation of a proposed rule, or any portion of a proposed rule, will, on average,

1.14 increase the cost of residential construction or remodeling by \$1,000 or more per unit. The

1.15 agency must make this determination before the close of the hearing record. Upon request

1.16 of a party affected by the proposed rule, an administrative law judge must review and

1.17 approve or disapprove an agency's determination that any portion of a proposed rule will

1.18 increase the cost of a dwelling unit by \$1,000 or more.

1.19 Subd. 3. **Notice to legislature; legislative approval.** (a) If the agency determines that

1.20 the impact of a proposed rule meets or exceeds the cost threshold provided in subdivision

1.21 2, or if the administrative law judge separately confirms the cost of any portion of a rule

1.22 exceeds the cost threshold provided in subdivision 2, the agency must notify, in writing,

1.23 the chair and ranking minority members of the policy committees of the house of

2.1 representatives and the senate with jurisdiction over the subject matter of the proposed rule
2.2 within ten days of the determination.

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

2.9 Subd. 4. **Severability.** If the agency or an administrative law judge determines that part
2.10 of a proposed rule meets or exceeds the threshold provided in subdivision 2, but that a
2.11 severable portion of the proposed rule does not meet or exceed that threshold, the agency
2.12 may proceed to adopt the severable portions of the proposed rule regardless of whether a
2.13 legislative committee has voted under subdivision 3 to advise an agency that the rule should
2.14 not be adopted as proposed.

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