	COMMITTEE/SUBCOMMITTEE ACTION
	ADOPTED $\underline{\hspace{1cm}}$ (Y/N)
	ADOPTED AS AMENDED $\underline{\hspace{1cm}}$ (Y/N)
	ADOPTED W/O OBJECTION (Y/N)
	FAILED TO ADOPT (Y/N)
	WITHDRAWN (Y/N)
	OTHER
1	Committee/Subcommittee hearing bill: Oversight, Transparency &
2	Administration Subcommittee
3	Representative Moraitis offered the following:
4	
5	Amendment (with title amendment)
6	Remove lines 75-596 and insert:
7	Section 2. Paragraph (i) of subsection (1), subsection
8	(3), and paragraph (a) of subsection (7) of section 120.54,
9	Florida Statutes, are amended to read:
10	120.54 Rulemaking
11	(1) GENERAL PROVISIONS APPLICABLE TO ALL RULES OTHER THAN
12	EMERGENCY RULES.—
13	(i)1. A rule may incorporate material by reference but
14	only as the material exists on the date the rule is adopted. For
15	purposes of the rule, changes in the material are not effective
16	unless the rule is amended to incorporate the changes.

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- 2. An agency rule that incorporates by specific reference another rule of that agency automatically incorporates subsequent amendments to the referenced rule unless a contrary intent is clearly indicated in the referencing rule. A notice of amendments to a rule that has been incorporated by specific reference in other rules of that agency must explain the effect of those amendments on the referencing rules.
- 3. In rules adopted after December 31, 2010, and rules repromulgated after December 31, 2018, material may not be incorporated by reference unless:
- a. The material has been submitted in the prescribed electronic format to the Department of State and the full text of the material can be made available for free public access through an electronic hyperlink from the rule making the reference in the Florida Administrative Code; or
- b. The agency has determined that posting the material on the Internet for purposes of public examination and inspection would constitute a violation of federal copyright law, in which case a statement to that effect, along with the address of locations at the Department of State and the agency at which the material is available for public inspection and examination, must be included in the notice required by subparagraph (3) (a) 1.
- 4. A rule may not be amended by reference only. Amendments must set out the amended rule in full in the same manner as required by the State Constitution for laws.

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Notwithstanding any contrary provision in this section, when an adopted rule of the Department of Environmental Protection or a water management district is incorporated by reference in the other agency's rule to implement a provision of part IV of chapter 373, subsequent amendments to the rule are not effective as to the incorporating rule unless the agency incorporating by reference notifies the committee and the Department of State of its intent to adopt the subsequent amendment, publishes notice of such intent in the Florida Administrative Register, and files with the Department of State a copy of the amended rule incorporated by reference. Changes in the rule incorporated by reference are effective as to the other agency 20 days after the date of the published notice and filing with the Department of State. The Department of State shall amend the history note of the incorporating rule to show the effective date of such change. Any substantially affected person may, within 14 days after the date of publication of the notice of intent in the Florida Administrative Register, file an objection to rulemaking with the agency. The objection shall specify the portions of the rule incorporated by reference to which the person objects and the reasons for the objection. The agency shall not have the authority under this subparagraph to adopt those portions of the rule specified in such objection. The agency shall publish notice of the objection and of its

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action in response in the next available issue of the Florida Administrative Register.

- 6. The Department of State may adopt by rule requirements for incorporating materials pursuant to this paragraph.
 - (3) ADOPTION PROCEDURES.-
 - (a) Notices.-
- 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 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 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); 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

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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 not less than 28 days prior to the intended action. The proposed rule, including all material proposed to be incorporated by reference, shall be available for inspection and copying by the public at the time of the publication of notice. After December 31, 2018, material proposed to be incorporated by reference in the notice required by this paragraph shall be made available in the manner prescribed by sub-subparagraph (1) (i) 3.a. or (1) (i) 3.b.
- 3. The notice shall be mailed to all persons named in the proposed rule and to all persons who, at least 14 days 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 prior to the proposed adoption date, a copy of

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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.

- (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.-
- a. Each agency, before the adoption, amendment, or repeal of a rule, shall consider the impact of the rule on small

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businesses as defined by s. 288.703 and the impact of the rule on small counties or small cities as defined by s. 120.52. Whenever practicable, an agency shall tier its rules to reduce disproportionate impacts on small businesses, small 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.

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- (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.
- b.(I) If the agency determines that the proposed action will affect small businesses as defined by the agency as provided in sub-subparagraph 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. The agency shall provide notice to the committee of any regulatory alternative offered to the agency pursuant to this sub-subparagraph at least 21 days before filing the rule for adoption.

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(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 Office of the Governor.

(c) Hearings.-

1. 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 rule and, if requested by any affected person, shall schedule a public hearing on the 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 rule. If the agency head is a board or other collegial body created under s. 20.165(4) or s. 20.43(3)(g), 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

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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.

- 2. 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. 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.
 - (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 rule has not been changed from the rule as previously filed with the committee, or contains only technical changes, the adopting agency shall file a notice to that effect with the committee at

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least 7 days prior to filing the 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 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. In addition, when any change is made in the $\frac{1}{2}$ proposed rule text or any material incorporated by reference, other than a technical change, the adopting agency 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 prior to filing the rule for adoption. The notice of change shall be published in the Florida Administrative Register at least 21 days prior to filing the rule for adoption. This subparagraph does not apply to emergency rules adopted pursuant to subsection (4). After December 31, 2018, material proposed to be incorporated by reference in the notice required by this subparagraph shall be made available in the manner prescribed by sub-subparagraph (1)(i)3.a. or (1)(i)3.b.

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- 2. After the notice required by paragraph (a) and prior to adoption, the agency may withdraw the rule in whole or in part.
- 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 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.
- 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.

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- 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 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.
- 2. 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, or until the administrative law judge has rendered a decision under s. 120.56(2), whichever applies. When a required

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notice of change is published 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
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

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on behalf of the committee. The department 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; 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.

- 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 rule and give notice of its action in the next available issue of the Florida Administrative Register.
- 6. 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

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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.

For the purposes of this paragraph, the term "administrative determination" does not include subsequent judicial review.

- (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. Paragraph (a) of subsection (1) of section 120.541, Florida Statutes, is amended to read:

- 120.541 Statement of estimated regulatory costs.-
- (1) (a) Within 21 days after publication of the notice required under s. 120.54(3) (a), a substantially affected person may submit to an agency a good faith written proposal for a

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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 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 or provide a statement of the reasons for rejecting the alternative in favor of the proposed rule. Section 4. Section 120.5435, Florida Statutes, is created to read:

120.5435 Repromulgation of rules.—

(1) It is the intent of the Legislature that each agency shall periodically review its rules for consistency with the powers and duties granted by its enabling statutes. If an agency determines after review that substantive changes to update a rule are not required, such agency shall repromulgate the rule to reflect the date of the review.

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412		(2)	Before	repromulgation	of the rule,	an	agency	shall,
413	upon	appro	oval by	the agency head	<u>d:</u>			
414		(a)	Publish	n a notice of re	epromulgation	in	the Flo	orida

- (a) Publish a notice of repromulgation in the Florida

 Administrative Register. A notice of repromulgation is not
 required to include the text of the rule being promulgated.
- (b) File the rule for repromulgation with the Department of State. A rule may not be filed for repromulgation less than 28 days or more than 90 days after the publication of the notice required by paragraph (a).
- (3) The agency shall file a notice of repromulgation with the committee at least 14 days before filing the rule for repromulgation. At the time the rule is filed for repromulgation, 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.
- (4) If the rule is not filed for repromulgation within the time limit imposed by paragraph (2)(b), the agency shall withdraw the rule for repromulgation and give notice of the withdrawal in the next available issue of the Florida Administrative Register.
- (5) A repromulgated rule is not subject to challenge as a proposed rule pursuant to s. 120.56(2).
- (6) The hearing requirements of s. 120.54 do not apply to repromulgation of a rule.

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	(7	') (a)	The	agency	y, up	on ap	prov	al of	the	agend	cy he	ead	or	his
or h	her	desig	nee,	shall	file	with	the	Depa:	rtmer	nt of	Stat	te t	thre	<u>;e</u>
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- (b) The repromulgated rule shall be adopted upon filing with the Department of State and becomes effective 20 days after being filed.
- (c) The Department of State shall update the history note of the rule in the Florida Administrative Code to reflect the effective date of the repromulgated rule.
- (8) The Department of State shall adopt rules to implement this section by December 31, 2018.
- Section 5. Paragraphs (a) and (c) of subsection (1) of section 120.55, Florida Statutes, are amended to read:
 - 120.55 Publication.—
 - (1) The Department of State shall:
- (a)1. 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 contained in the code, and any

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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 Department of State shall retain the copyright over the Florida Administrative Code.

- 2. 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 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, and a statement as to where those rules may be inspected.

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- 4. Forms shall not be published in the Florida
 Administrative Code; but any form 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
 "rule" 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. After December 31, 2018, the department shall require all material incorporated by reference in any part of an adopted rule and in any part of a repromulgated rule allow adopted rules and material incorporated by reference to be filed in the manner prescribed by s. 120.54(1)(i)3.a. or s. 120.54(1)(i)3.b. electronic form as prescribed by department rule. When a rule is filed for adoption or repromulgation 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

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COMMITTEE/SUBCOMMITTEE AMENDMENT Bill No. HB 941 (2018)

Amendment No.

510	material. The department may not allow hyperlinks from rules in
511	the Florida Administrative Code to any material other than that
512	filed with and maintained by the department, but may allow
513	hyperlinks to incorporated material maintained by the department
514	from the adopting agency's website or other sites.
515	6. The Department of State shall include the date of any
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518	TITLE AMENDMENT
519	Remove lines 4-5 and insert:

amending s. 120.54, F.S.; 520

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