LEGISLATIVE ACTION Senate House Comm: RCS 03/11/2025

The Committee on Governmental Oversight and Accountability (Burgess) recommended the following:

Senate Amendment (with title amendment)

3 Delete lines 118 - 385

and insert:

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Section 3. Subsection (1), paragraph (g) of subsection (2), and subsection (5) of section 120.541, Florida Statutes, are amended, paragraph (h) is added to subsection (2) of that section, subsection (6) is added to that section, and subsection (4) of that section is reenacted, to read:

120.541 Statement of estimated regulatory costs.-

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(1) (a) An agency shall prepare a statement of estimated regulatory costs for each proposed rule, notice of change, or final rule, regardless of whether the proposed rule, notice of change, or final rule will have an adverse impact on small business or is likely to increase regulatory costs. The statement must include a cost-benefit analysis that clearly demonstrates that the projected benefits of the proposed rule, notice of change, or final rule exceed its projected costs.

(b) (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 lower cost regulatory alternative to a proposed rule which substantially accomplishes the objectives of the law being implemented. 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.

(c) (b) If a proposed rule, notice of change, or final rule will have an adverse impact on small business or if the proposed rule, notice of change, or final 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

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rule, the agency shall prepare a statement of estimated regulatory costs as required by s. 120.54(3)(b).

- (d) (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.
- (e) (d) At least 21 days before filing the 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 and to the committee and shall provide notice on the agency's website that it is available to the public.
- (f) (e) Notwithstanding s. 120.56(1)(c), the failure of the agency to prepare 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.
- (g) (f) An agency's failure to prepare 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.
- (h) (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

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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 (b) (a) or s. 120.54(3)(b)2.b.; and
- 3. The substantial interests of the person challenging the rule are materially affected by the rejection.
- (2) A statement of estimated regulatory costs shall include:
- (a) In the statement or revised statement, whichever applies, a description of any regulatory alternatives submitted under paragraph (1)(b) $\frac{(1)(a)}{a}$ and a statement adopting the alternative or a statement of the reasons for rejecting the alternative in favor of the proposed rule.
- (h) All documentation, assumptions, methods, and data used in preparing the statement of estimated regulatory costs must be published on a publicly accessible website and, where relevant, in a machine-readable format readily available to the public, including any supporting calculations, documents, data, databases, or data tables, so that the results of the analysis can be replicated. Uncertainties pertaining to these estimates must be reported.
 - Subsection (3) does not apply to the adoption of: (4)
 - (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.
- (5) For purposes of subsections (2) and (3), adverse impacts and regulatory costs likely to occur within 5 years

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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. However, an agency may include longer periods of review but must, at a minimum, provide a cost-benefit analysis that projects the first 5 years after the rule goes into effect. If a discount rate is used in the analysis, its use must be justified. The agency must also provide an analysis without the use of discount rates.

- (6) (a) An agency shall conduct a retrospective cost-benefit analysis for each adopted rule 4 years after the rule's effective date. The analysis must compare the actual costs and benefits of the rule to those projected in the initial statement of estimated regulatory costs prepared under paragraph (1)(a).
- An agency shall conduct a retrospective assessment (b) report for each adopted rule 8 years after the rule's effective date. The report must compare the initial projected cost-benefit analysis, the retrospective analysis conducted under paragraph (a), and the outcomes observed up to this time. The agency shall incorporate the findings and lessons learned from this comparison into the standards for future statements of estimated regulatory costs and apply them to similar rules.
- (c) For all rules in effect on July 1, 2025, the committee must set a schedule for agencies to conduct the analysis and report as required by paragraphs(a)-(b), taking into

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consideration the time and resources agencies will expend to perform such review. These reviews must be scheduled to begin between July 1, 2027 and July 1, 2037.

- (d) An amendment to a rule through subsequent rulemaking does not affect the agency's duty to perform the reviews as required by paragraphs(a)-(b), unless the amendment completely repeals and adopts a new rule as described in s. 120.54. In such case, the rule's review dates must be determined based on the effective date of the subsequent rule.
- (e) The following rules are exempt from the review processes described in paragraphs(a)-(b):
- 1. Rules required to comply with federal law or to receive federal funds.
- 2. Rules adopted pursuant to authority granted under the State Constitution.
- 3. Rules of agencies that are headed by an elected official.
- (f) Rules exempt under paragraph (e) must be reviewed by the agency according to the schedule set by the committee. The agency may not begin its review more than 1 year before the rule's scheduled review date.
- (g) During the review, including any review under paragraph (f), the agency shall:
- 1. Notify the public of the review, including making the text of the notice, the text of the rule, and all analyses associated with the review available on the agency's website.
 - 2. Hold a public comment period for at least 30 days.
- 3. Conduct all analyses that would be required if the rule were being readopted pursuant to s. 120.54.

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- 4. Provide a reasoned response to unique public comments.
- 5. Publish a report on the agency's website which includes the analyses and the agency's response to public comments.

Section 4. Paragraphs (m), (n), and (o) are added to subsection (1) of section 120.545, Florida Statutes, to read:

120.545 Committee review of agency rules.-

- (1) As a legislative check on legislatively created authority, the committee shall examine each proposed rule, except for those proposed rules exempted by s. 120.81(1)(e) and (2), and its accompanying material, and each emergency rule, and may examine any existing rule, for the purpose of determining whether:
- (m) The agency is timely complying with the review requirements described in s.120.541(6)(a)-(b).
- (n) The agency has properly reviewed exempt rules as required under s. 120.541(6)(f).

Section 5. Paragraph (a) of subsection (1) of 120.55, Florida Statutes, is 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, including the effective date of each rule, all history notes as authorized in s. 120.545(7), complete indexes to all rules contained in the code, and any other material required or

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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.
- 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. The department shall allow adopted rules and material incorporated by reference to be filed in 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 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.

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And the title is amended as follows:

Delete lines 20 - 38 239

240 and insert:

> review for specified purposes; requiring the Joint Administrative Procedures Committee to set a review

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schedule for existing rules to undergo a retrospective cost-benefit analysis and review; providing exceptions to the review; requiring a separate review of such exempt rules; requiring the agency to perform specified actions during reviews; requiring publication of materials used to produce estimates of regulatory costs in a specified manner; providing additional requirements for cost-benefit analyses; amending s. 120.545, F.S.; revising requirements for review of rules by the Administrative Procedures Committee; amending s. 120.55, F.S.; requiring that additional information be published in the Florida Administrative Code; amending s.