

STATE OF NEW YORK

5582

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Introduced by M. of A. BARCLAY, PALMESANO, HAWLEY, BRABENEC, WALSH, MILLER, MANKTELOW, JENSEN, GALLAHAN, DeSTEFANO, BLANKENBUSH, TAGUE -- Multi-Sponsored by -- M. of A. K. BROWN, DiPIETRO, FRIEND -- read once and referred to the Committee on Governmental Operations

AN ACT to amend the executive law, the state administrative procedure act and the legislative law, in relation to the division of regulatory review and economic growth and imposing a two-for-one rule reduction requirement

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The executive law is amended by adding a new article 43 to
2 read as follows:

ARTICLE 43

DIVISION OF REGULATORY REVIEW AND ECONOMIC GROWTH

Section 930. Definitions.

6 931. Division of regulatory review and economic growth.

7 932. General functions, powers and duties.

8 933. Assistance of other state agencies.

9 934. Regulation review.

10 935. Division annual recommendations.

11 936. Implementation of recommendations.

12 937. Cost of regulation study.

13 § 930. Definitions. When used in this article, the following terms
14 shall have the following meanings:

15 1. "Commissioner" means the commissioner of the division of regulatory
16 review and economic growth.

17 2. "Division" means the division of regulatory review and economic
18 growth created by this article.

19 3. "Permit" shall mean the whole or part of any state agency permit,
20 license, certificate, approval, registration, charter, or similar form
21 of permission or authority required by law or by state agency rule

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 having the force and effect of law, which is required for a business
2 undertaking, project or activity; provided, however, it shall not mean
3 individual licenses for practicing a profession prescribed in title
4 eight of the education law, filings under the uniform commercial code,
5 or routine licenses and permits for individual privileges, including
6 licenses for operating a motor vehicle and amateur sporting licenses,
7 such as for hunting and fishing.

8 4. "Rule" means a rule as defined in subparagraph (i) of paragraph (a)
9 of subdivision two of section one hundred two of the state administra-
10 tive procedure act, including rules of the workers' compensation board,
11 but does not include the rules of the state comptroller or attorney
12 general, rules regarding jurisdictional classifications pursuant to
13 subdivision one of section six of the civil service law, and the alter-
14 ation of hunting or fishing seasons pursuant to article eleven of the
15 environmental conservation law.

16 5. "State agency" means an agency as defined in subdivision one of
17 section one hundred two of the state administrative procedure act.

18 § 931. Division of regulatory review and economic growth. 1. There is
19 hereby created in the executive department the division of regulatory
20 review and economic growth. The head of the division shall be the
21 commissioner of the division who shall be appointed by the governor with
22 the consent of the senate and serve a term of five years.

23 2. The commissioner must have at least ten years of experience running
24 a for-profit business, with at least three years experience as the chief
25 executive officer, chief operating officer, chief financial officer,
26 president, owner, or any other title used for the highest ranking offi-
27 cer, administrator or manager of a for-profit business.

28 3. The commissioner shall be appointed by the governor within thirty
29 days of the effective date of this section and within thirty days of the
30 expiration of every five year term thereafter, and upon confirmation of
31 the senate shall serve a term of five years effective from the date of
32 confirmation. If the senate rejects an appointment, the governor shall
33 have thirty days from the date of the rejection to appoint another
34 commissioner.

35 4. The commissioner may only be removed from office by a felony
36 conviction or a crime involving a violation of their oath of office or
37 by the assent of two-thirds of the members elected to each branch of the
38 legislature voting separately.

39 5. Such commissioner shall receive an annual salary to be fixed by the
40 governor within the amount made available therefor by appropriation and
41 shall be allowed their actual and necessary expenses in the performance
42 of their duties.

43 6. Upon appointment and until such term expires, the commissioner
44 shall not (a) participate in any partisan political party activities,
45 except that such candidate may register to vote as a member of any poli-
46 tical party and may vote in any party primary for candidates for nomi-
47 nation of the party in which they are registered to vote; (b) endorse
48 any candidate or political party; or (c) make contributions to any
49 candidate, political party committee, political action committee or
50 political committee pursuant to subdivision ten of section 14-114 of the
51 election law.

52 7. The commissioner shall direct the work of the division and shall be
53 the chief executive officer of the division. The commissioner may enter
54 into contracts and expend money, and appoint such officers and employees
55 as they may deem necessary, prescribe their duties, fix their compen-
56 sation, and provide for the reimbursement of their expenses, all within

1 amounts made available therefor by appropriation. Such staff shall be
2 management confidential employees with an understanding of private
3 sector business.

4 § 932. General functions, powers and duties. The division of regulatory
5 review and economic growth, by and through the commissioner or their
6 duly authorized officers and employees, shall have the following func-
7 tions, powers and duties:

8 1. To provide an oversight, review and analysis of the rules and regu-
9 latory processes of state agencies.

10 2. To make binding recommendations to the governor and legislature on
11 burdensome New York state codes, rules, regulations, regulatory proc-
12 esses, and permit requirements to eliminate or amend them, pursuant to
13 section nine hundred thirty-five of this article.

14 3. To review the environmental quality review process established
15 under article eight of the environmental conservation law and make
16 recommendations pursuant to subdivision two of this section to establish
17 a more efficient, predictable, timely, and transparent process, and to
18 ensure that the process does not stifle economic growth in New York
19 state.

20 4. To review permit requirements and the need by the state to require
21 such permits. The division shall make recommendations pursuant to subdi-
22 vision two of this section to eliminate, consolidate, simplify, expedite,
23 or otherwise improve permits, permit procedures, and paperwork
24 burdens affecting local governments, school districts or businesses.

25 5. To encourage and facilitate the participation of federal and local
26 government agencies in regulatory review.

27 6. To establish an 800 hotline and website to provide businesses with
28 one contact number to direct questions and to provide assistance to
29 businesses in the state or businesses looking to open or expand in New
30 York state. Such hotline may be used to report regulatory burdens, state
31 agencies overreaching their power, excessive fines and to submit
32 requests for regulatory review by the commissioner.

33 7. To adopt such rules and regulations, procedures, instructions, and
34 forms as are necessary or desirable to carry out the functions, powers,
35 and duties imposed upon the division by this article.

36 8. To publish an annual report, after January first and before Febru-
37 ary first, commencing two thousand twenty-seven, including all recommen-
38 dations proposed by the division and those recommendations implemented
39 by the state during the prior calendar year. Such report shall include
40 specific details concerning estimated cost savings to the taxpayers from
41 proposed recommendations and actual cost savings to the taxpayers from
42 implemented recommendations.

43 § 933. Assistance of other state agencies. To effectuate the purposes
44 of this article, the commissioner may request and shall be entitled to
45 receive from any state agency, and the same are authorized to provide,
46 such assistance, services, facilities, and data as will enable the divi-
47 sion to carry out its functions, powers and duties.

48 § 934. Regulation review. 1. In developing a rule, each agency head
49 shall, prior to submitting a notice of proposed or revised rulemaking
50 for publication in the state register pursuant to section two hundred
51 two of the state administrative procedure act, submit to the commissioner,
52 in such form and manner as the commissioner may prescribe, the
53 complete text of the rule, any impact statements which would be required
54 by article two of the state administrative procedure act to propose the
55 rule, and any cost-benefit analysis, risk assessment and/or the results

1 of a negotiated rulemaking or policy dialogue undertaken in conjunction
2 with the development of the rule.

3 2. The commissioner shall review the agency's submission to determine
4 whether it is complete and in accordance with the goals, criteria and
5 requirements of this article and article two of the state administrative
6 procedure act, including whether the rule:

7 (a) is clearly within the authority delegated by law;

8 (b) is consistent with and necessary to achieve a specific legislative
9 intent of promoting economic growth or protecting the health and safety
10 of the public;

11 (c) is consistent with state statutory requirements;

12 (d) does not impose a mandate on local governments, school districts
13 or businesses that is not fully funded, except as specifically required
14 by state statute;

15 (e) is clearly written so that its meaning will be easily understood
16 by those persons affected by it;

17 (f) does not unnecessarily duplicate or exceed existing federal or
18 state statutes or rules;

19 (g) prescribes methodologies or requirements that allow regulated
20 parties flexibility and encourage innovation in meeting the legislative
21 or administrative requirements and objectives underlying the rule;

22 (h) is based on credible assessments, using recognized standards, of
23 the degree and nature of the risks which may be regulated, including a
24 comparison with everyday risks familiar to the public;

25 (i) gives preference to the least costly, least burdensome regulatory
26 and paperwork requirements needed to accomplish legislative and adminis-
27 trative objectives;

28 (j) is based upon the best scientific, technical and economic informa-
29 tion that can reasonably and affordably be obtained; and

30 (k) if possible and practical, favors market-oriented solutions and
31 performance standards over command-and-control regulation.

32 3. If the commissioner determines that the submission is complete,
33 complies with the provisions of subdivision two of this section, will
34 promote economic growth, or is vital to protect the health and safety of
35 the public, the commissioner shall authorize the agency to submit the
36 rulemaking for publication in the state register pursuant to section two
37 hundred two of the state administrative procedure act.

38 4. If the commissioner determines the submission is not complete or
39 does not comply with the requirements of subdivision two of this
40 section, or is detrimental to economic growth in New York state, or is
41 not vital to protect the health and safety of the public, the commis-
42 sioner may reject the rule or return it to the agency, together with any
43 direction that the agency amend, prepare or revise the rule, any
44 supporting impact statements, cost benefit analysis, risk assessment,
45 and/or undertake a negotiated rulemaking or policy dialogue to develop a
46 rule for proposal. The division may assist the agency in developing a
47 proposal that meets the requirements of subdivision two of this section.

48 5. An agency may consult informally with the division regarding
49 proposed rules, supporting impact statements, and other documents at any
50 time prior to the submission of such materials pursuant to subdivision
51 one of this section. Such informal consultation shall not be binding on
52 the division or the agency.

53 6. No agency head shall submit a notice of proposed or revised rule-
54 making for publication in the state register pursuant to section two
55 hundred two of the state administrative procedure act, without express
56 approval by the commissioner. The commissioner, in their sole

1 discretion, may reject any particular rule or category of rules they
2 determine is detrimental to economic growth in New York state, or is not
3 vital to protect the health and safety of the public. The divisions
4 shall promptly notify the agency of any such rejection.

5 § 935. Division annual recommendations. On or before January first,
6 two thousand twenty-six and annually thereafter, the division shall
7 transmit to the governor and the legislature a report containing its
8 recommendations, which shall include:

9 1. specific recommendations for repealing or amending New York state
10 codes, rules, regulations, regulatory processes, and permit requirements
11 as it deems necessary to lower costs for local governments, school
12 districts and businesses or promote economic growth; and

13 2. recommended dates by which such actions should occur.

14 § 936. Implementation of recommendations. 1. Notwithstanding any
15 contrary provision of law, rule or regulation related to the repeal or
16 amendment of any New York state codes, rules, regulations, regulatory
17 processes, and permit requirements identified in the division's recom-
18 mendations, the secretary of state shall take all actions necessary to
19 implement, in a reasonable, cost-efficient manner, the recommendations
20 of the division pursuant to section nine hundred thirty-five of this
21 article, including, but not limited to coordination with state agencies,
22 authorities, and other parties as the commissioner deems appropriate.

23 2. The provisions of subdivision one of this section shall not apply:
24 (a) unless the governor has transmitted the division's report under
25 section nine hundred thirty-five of this article with their written
26 approval of the recommendations of the division pursuant to section nine
27 hundred thirty-five of this article to the secretary of state and trans-
28 mitted a message to the legislature stating their approval or rejection
29 of the report within five days of receiving such report; and (b) if a
30 majority of the members of each house of the legislature vote to adopt a
31 concurrent resolution rejecting the recommendations of the division
32 pursuant to section nine hundred thirty-five of this article in their
33 entirety within sixty days, after receiving a message from the governor
34 under this subdivision. In no event shall the secretary of state begin
35 to implement the recommendations of the division pursuant to section
36 nine hundred thirty-five of this article prior to the expiration of the
37 legislature's sixty day review period.

38 § 937. Cost of regulation study. 1. The commissioner is hereby author-
39 ized and directed to prepare or have prepared a comprehensive study to
40 measure and report the cost of regulations to businesses throughout the
41 state of New York.

42 2. Such study shall be completed within eighteen months of the effec-
43 tive date of the chapter of the laws of two thousand twenty-five which
44 added this article.

45 § 2. Paragraph (a) of subdivision 6-a of section 202 of the state
46 administrative procedure act, as amended by chapter 512 of the laws of
47 2019, is amended to read as follows:

48 (a) An agency shall transmit a copy of any rule making notice prepared
49 pursuant to this article and approved by the commissioner of the divi-
50 sion of regulatory review and economic growth pursuant to article
51 forty-three of the executive law to the governor, the temporary presi-
52 dent of the senate, the speaker of the assembly, the minority leader of
53 the senate, the minority leader of the assembly and the administrative
54 regulations review commission at the time such notice is submitted to
55 the secretary of state for publication in the state register. Such tran-
56 smittal shall include the complete rule text, regulatory impact state-

1 ment, regulatory flexibility analysis, rural area flexibility analysis,
2 or revisions thereof, and any other information submitted to the secre-
3 tary of state pursuant to this article. Furthermore, such transmittal
4 may be completed by electronic means in accordance with article three of
5 the state technology law.

6 § 3. Section 86 of the legislative law, as added by chapter 689 of the
7 laws of 1978, is amended to read as follows:

8 § 86. Administrative regulations review commission. There is hereby
9 created an administrative regulations review commission to consist of
10 two members of the senate to be appointed by the temporary president of
11 the senate, two members of the assembly to be appointed by the speaker
12 of the assembly, [~~one member~~] two members of the senate to be appointed
13 by the minority leader of the senate and [~~one member~~] two members of the
14 assembly to be appointed by the minority leader of the assembly. The
15 temporary president of the senate and the speaker of the assembly shall
16 each appoint a [~~co-chairman~~] co-chair from among the commission member-
17 ship. Any vacancies shall be filled in the same manner as the original
18 appointment. Such appointees shall serve at the pleasure of the respec-
19 tive legislative member making such appointment.

20 § 4. Section 87 of the legislative law, as added by chapter 689 of the
21 laws of 1978 and subdivision 4 as added by chapter 512 of the laws of
22 2019, is amended to read as follows:

23 § 87. Powers and duties. 1. The commission shall exercise continuous
24 oversight of the process of rule making and examine rules, as defined in
25 subdivision two of section one hundred two of the state administrative
26 procedure act, adopted or proposed by each agency with respect to (i)
27 statutory authority, (ii) compliance with legislative intent, (iii)
28 impact on the economy and on the government operations of the state and
29 its local governments, and (iv) impact on affected parties; and, in
30 furtherance of such duties, may examine other issues it deems appropri-
31 ate. For purpose of this article, the term agency shall mean any depart-
32 ment, board, bureau, commission, division, office, council, committee or
33 officer of the state or a public benefit corporation or public authority
34 at least one of whose members is appointed by the governor.

35 2. The commission shall review any legislation requiring a commission-
36 er or agency as defined by subdivision one of section one hundred two of
37 the state administrative procedure act, to promulgate any codes, rules
38 and regulations necessary for the implementation and make recommenda-
39 tions to the members of the legislature. Such recommendations should
40 include the commission's approval if the legislation is deemed necessary
41 to protect the health and safety of the public or the commission's
42 disapproval if such legislation is deemed detrimental to economic growth
43 in New York state, or is not vital to protect the health and safety of
44 the public.

45 3. The commission shall review New York state laws that result in the
46 promulgation of codes, rules or regulations by a commissioner or agency
47 as defined by subdivision one of section one hundred two of the state
48 administrative procedure act, or any laws the commission deems a regula-
49 tory burden on local governments, school districts or businesses and
50 make recommendations to the members of the legislature. Such recommenda-
51 tions should include the commission's request for the repeal of laws it
52 deems increase costs for local governments, school districts or busi-
53 nesses or are detrimental to economic growth in New York state, or are
54 not vital to protect the health and safety of the public.

55 4. The commission may employ such staff and retain such consultants
56 and expert services as may be necessary and fix their compensation and

1 expenses within the amounts appropriated therefor. Employment by the
2 commission shall be deemed to be employment by the legislature for all
3 purposes.

4 ~~[3]~~ 5. The commission shall have the power, subject to the provisions
5 of section seventy-three of the civil rights law, to hold hearings,
6 subpoena witnesses, administer oaths, take testimony and compel the
7 production of books, papers, documents and other evidence in furtherance
8 of its duties; provided, however, that no subpoena shall issue except
9 upon the affirmative vote of a majority of the whole membership of the
10 commission. The commission may request and shall receive from all agen-
11 cies such assistance and data as will enable it properly to consummate
12 any such examination, and review.

13 ~~[4-]~~ 6. The commission shall be authorized to request and receive,
14 from a state agency, all rulemaking notices, statements and analyses as
15 provided for pursuant to the state administrative procedure act, data,
16 rules, regulations and other information by electronic means as provided
17 for by article three of the state technology law.

18 § 5. Section 88 of the legislative law, as amended by chapter 850 of
19 the laws of 1990, is amended to read as follows:

20 § 88. Reports. The commission shall, ~~[from time to time]~~ annually,
21 report its findings and recommendations to the governor, the temporary
22 president of the senate and the speaker of the assembly, the minority
23 leader of the senate, the minority leader of the assembly, and to the
24 members of the legislature, and may at any time make recommendations to
25 the division of regulatory review and economic growth and an agency
26 based upon its review of that agency's rule making process, or any of
27 the agency's proposed, revised or adopted rules.

28 § 6. The legislative law is amended by adding a new section 88-a to
29 read as follows:

30 § 88-a. Regulatory Wednesdays. 1. Every Wednesday, which is a sched-
31 uled session day for the legislature in every week beginning with a
32 scheduled session day on Monday, shall be deemed regulatory Wednesday.
33 The commission shall be required to meet on every regulatory Wednesday
34 to perform its powers and duties pursuant to section eighty-seven of
35 this article.

36 2. On every regulatory Wednesday, the senate and assembly shall take
37 up any bills on any order of third reading that are before each respec-
38 tive house for final disposition, that have gained the approval of the
39 commission prior to taking up any other bill on any order of third read-
40 ing, unless such action is waived, without debate, upon a majority vote
41 of the members present.

42 § 7. The state administrative procedure act is amended by adding a new
43 article 2-A to read as follows:

44 ARTICLE 2-A

45 REGULATORY REDUCTION AND SIMPLIFICATION

46 Section 220. Two-for-one rule reduction requirement.

47 § 220. Two-for-one rule reduction requirement. 1. For the purposes of
48 this section, the term "regulatory burden" shall be defined as:

49 (a) The total costs imposed on businesses, community organizations,
50 and individuals by government regulations and administrative require-
51 ments, including but not limited to:

52 (i) Financial costs, such as direct compliance expenses and adminis-
53 trative fees;

1 (ii) Time costs, including delays in approvals or applications, and
2 hours spent on paperwork and reporting;

3 (iii) Operational costs, such as changes to business processes or
4 practices;

5 (iv) Opportunity costs, including foregone business opportunities or
6 innovations; and

7 (v) Resource allocation costs, including staff time and effort devoted
8 to regulatory compliance instead of core business activities; and

9 (b) The cumulative impact of multiple regulations on the overall effi-
10 ciency and effectiveness of business operations and individual activ-
11 ities.

12 2. For each new rule or regulation proposed by a state agency, the
13 agency shall identify at least two existing rules or regulations to be
14 repealed.

15 3. The agency shall provide a justification for the selection of rules
16 to be eliminated, considering factors including but not limited to:

17 (a) Outdated or unnecessary requirements;

18 (b) Regulatory burden on businesses and citizens; and

19 (c) Alignment with current statutes and best practices.

20 4. The proposed rule eliminations shall be included in the notice of
21 proposed rulemaking and subject to public comment as required under
22 section two hundred two of this chapter.

23 5. The agency shall demonstrate that the net effect of the new rule
24 and eliminated rules results in a reduction of regulatory burden.

25 6. The agency shall ensure that the fiscal impact of the rules to be
26 eliminated is equal to or greater than the fiscal impact of the proposed
27 new rule on taxpayers. This fiscal impact analysis shall include but not
28 be limited to:

29 (a) A detailed analysis of the direct and indirect costs associated
30 with compliance for both the new rule and the rules to be eliminated;

31 (b) An estimate of the tax burden reduction or cost savings to taxpay-
32 ers resulting from the elimination of the selected rules; and

33 (c) A comparison demonstrating that the fiscal relief provided by the
34 eliminated rules meets or exceeds any new costs imposed by the proposed
35 rule.

36 7. The fiscal impact analysis required under subdivision six of this
37 section shall be included in the notice of proposed rulemaking and made
38 available for public review and comment.

39 8. Exceptions to the requirements of this section may be made for
40 rules necessary to protect the health, safety, and welfare of the resi-
41 dents of this state.

42 § 8. Severability clause. If any clause, sentence, paragraph, subdivi-
43 sion, section or part of this act shall be adjudged by any court of
44 competent jurisdiction to be invalid, such judgment shall not affect,
45 impair, or invalidate the remainder thereof, but shall be confined in
46 its operation to the clause, sentence, paragraph, subdivision, section
47 or part thereof directly involved in the controversy in which such judg-
48 ment shall have been rendered. It is hereby declared to be the intent of
49 the legislature that this act would have been enacted even if such
50 invalid provisions had not been included herein.

51 § 9. This act shall take effect on the one hundred twentieth day after
52 it shall have become a law and shall apply to rules and revised rules to
53 be submitted for publication in the state register on and after such
54 date.