

1 AN ACT relating to administrative regulations.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 13A.210 is amended to read as follows:

4 (1) (a) When promulgating administrative regulations and reviewing existing ones,
5 administrative bodies shall, whenever possible, tier their administrative
6 regulations to:

7 1. Reduce disproportionate impacts on certain classes of regulated entities,
8 including government or small business, or both;~~and~~

9 2. ~~to~~ Avoid regulating entities that do not contribute significantly to the
10 problem the administrative regulation was designed to address.

11 (b) The tiers, however, shall be based upon reasonable criteria and uniformly
12 applied to an entire class.

13 (c) Administrative bodies shall use any number of tiers that will solve most
14 efficiently and effectively the problem the administrative regulation
15 addresses.

16 (d) A written statement shall be submitted to the Legislative Research
17 Commission explaining why tiering was or was not used.

18 (2) Administrative bodies may use, but shall not be limited to, the following methods
19 of tiering administrative regulations:

20 (a) Reduce or modify substantive regulatory requirements;

21 (b) Eliminate some requirements entirely;

22 (c) Simplify and reduce reporting and recordkeeping requirements;

23 (d) Provide exemptions from reporting and recordkeeping requirements;

24 (e) Reduce the frequency of inspections;

25 (f) Provide exemptions from inspections and other compliance activities;

26 (g) Delay compliance timetables;

27 (h) Reduce, modify, or waive fines or other penalties for noncompliance; and

- 1 (i) Address and alleviate special problems of individuals and small businesses in
2 complying with an administrative regulation.
- 3 (3) (a) When tiering regulatory requirements, administrative bodies may use, but
4 shall not be limited to, size and nonsize variables.
- 5 (b) Size variables include number of citizens, number of employees, level of
6 operating revenues, level of assets, and market shares.
- 7 (c) Nonsize variables include degree of risk posed to humans, technological and
8 economic ability to comply, geographic locations, and level of federal
9 funding.
- 10 (4) When modifying tiers, administrative bodies shall monitor, but shall not be limited
11 to, the following variables:
- 12 (a) Changing demographic characteristics;
- 13 (b) Changes in the composition of the workforce;
- 14 (c) Changes in the inflation rate requiring revisions of dollar-denominated tiers;
- 15 (d) Changes in market concentration and segmentation;
- 16 (e) Advances in technology; and
- 17 (f) Changes in legislation.