

HB 2579 -- COST-BENEFIT ANALYSIS OF ADMINISTRATIVE RULES

SPONSOR: Lonsdale

This bill defines "Benefits", "Cost", "Direct benefit", "Indirect benefit", "Indirect cost", "Monetized", "Stakeholder", "Stakeholder-specific benefit", and "Stakeholder-specific cost". The bill requires all agencies to demonstrate that the benefits of proposed regulations outweigh the costs.

This bill requires all agencies to conduct a cost-benefit analysis for final rules, detailing any differences from the analysis of proposed rules and any decisions made based on public comments.

The bill requires all documentation related to the cost-benefit analysis to be made public on specified platforms.

This bill requires standardized analysis and metrics to be applied to all regulations, with exceptions approved by the Joint Committee on Administrative Rules.

The bill allows stakeholders to challenge final rules based on deficiencies in the agency's cost-benefit analysis, leading to a review and possible remand by the court. If the court agrees and identifies certain shortcomings such as failure to consider relevant costs, lack of public scrutiny, underestimation of costs, overestimation of benefits, or failure to justify changes from the proposed rule's analysis, it can stay the rule and request further agency analysis. Additionally, the cost-benefit analysis should align with the periodic regulatory review cycle specified in Section 536.175, RSMo.

This bill requires the cost-benefit analysis to align with the periodic regulatory review cycle.

The bill specifies the following restrictions on the use of discount rates:

- (1) No social or implementing discount rates;
- (2) Justification is necessary for the application of discount rates;
- (3) Compound interest rate calculations are not to be mandated; and
- (4) Non-monetary life factors should not be monetized or calculated as compounding at the marginal rate of return to capital.

This bill specifies that rules made under Section 536.025 will be excluded from the requirements of this section.