

Michigan Office of Administrative Hearings and Rules

Administrative Rules Division (ARD)

611 W. Ottawa Street

Lansing, MI 48909

Phone: 517-335-8658 Fax: 517-335-9512

**REGULATORY IMPACT STATEMENT
and COST-BENEFIT ANALYSIS (RIS)**

Agency Information:

Department name:

Licensing and Regulatory Affairs

Bureau name:

Bureau of Construction Codes

Name of person filling out RIS:

Amanda Johnson

Phone number of person filling out RIS:

517-241-3408

E-mail of person filling out RIS:

JohnsonA39@michigan.gov

Rule Set Information:

ARD assigned rule set number:

2020-12 LR

Title of proposed rule set:

Subdivisions of Land

Comparison of Rule(s) to Federal/State/Association Standard:

1. Compare the proposed rules to parallel federal rules or standards set by a state or national licensing agency or accreditation association, if any exist.

These rules are required for the implementation and operation of a program unique to Michigan and established by state law in 1967, the Land Division Act, 1967 PA 288, MCL 560.101 to MCL 560.293. No federal standards or rules exist for the administration of this program.

A. Are these rules required by state law or federal mandate?

The rules are not required by federal law, but they are required by state law.

B. If these rules exceed a federal standard, please identify the federal standard or citation, describe why it is necessary that the proposed rules exceed the federal standard or law, and specify the costs and benefits arising out of the deviation.

These rules do not exceed federal standards.

2. Compare the proposed rules to standards in similarly situated states, based on geographic location, topography, natural resources, commonalities, or economic similarities.

The bureau is not aware of any similar programs or rules in other states. Other states have reviewed how Michigan is administering a program of this nature.

A. If the rules exceed standards in those states, please explain why and specify the costs and benefits arising out of the deviation.

The bureau is not aware of any similar programs or rules in other states.

3. Identify any laws, rules, and other legal requirements that may duplicate, overlap, or conflict with the proposed rules.

The rules are required for the implementation and operation of the Land Division Act, 1967 PA 288, MCL 560.101 to MCL 560.293. The proposed changes are required to reduce duplication and conflict within the current law.

A. Explain how the rules have been coordinated, to the extent practicable, with other federal, state, and local laws applicable to the same activity or subject matter. This section should include a discussion of the efforts undertaken by the agency to avoid or minimize duplication.

The Land Division Act was revised in 2014. The proposed changes are required to reduce duplication and conflict with the current law.

4. If MCL 24.232(8) applies and the proposed rules are more stringent than the applicable federally mandated standard, a statement of specific facts that establish the clear and convincing need to adopt the more stringent rules and an explanation of the exceptional circumstances that necessitate the more stringent standards is required.

There are no federal rules or standards that regulate construction codes. The proposed rules update the Subdivisions of Land, of the General Rules of the Construction Code mandated by 1972 PA 230.

5. If MCL 24.232(9) applies and the proposed rules are more stringent than the applicable federal standard, either the statute that specifically authorizes the more stringent rules or a statement of the specific facts that establish the clear and convincing need to adopt the more stringent rules and an explanation of the exceptional circumstances that necessitate the more stringent standards is required.

There are no federal rules or standards that regulate construction codes. The proposed rules update the Subdivisions of Land, of the General Rules of the Construction Code mandated by 1972 PA 230.

6. Identify the behavior and frequency of behavior that the proposed rules are designed to alter.

The following rule numbers R 560.104, R 560.105, R 560.107, R 560.111, R 560.114, R 560.115, R 560.119, R 560.120, R 560.121, R 560.122, R 560.126, R 560.127, R 560.128, R 560.129, R 560.133, and R 560.135 are administrative in nature and are being amended to bring the administrative application of the Subdivisions of Land rules in line with the actual practices.

A. Estimate the change in the frequency of the targeted behavior expected from the proposed rules.

The following rule numbers R 560.104, R 560.105, R 560.107, R 560.111, R 560.112, R 560.114, R 560.115, R 560.119, R 560.120, R 560.121, R 560.122, R 560.126, R 560.127, R 560.128, R 560.129, R 560.133, and R 560.135 are administrative in nature and are being amended to bring the administrative application of the Subdivisions of Land rules in line with the actual practices. The proposed changes are required to reduce duplication.

B. Describe the difference between current behavior/practice and desired behavior/practice.

The desired behavior for R 560.104, R 560.105, R 560.107, R 560.111, R 560.112, R 560.114, R 560.115, R 560.119, R 560.120, R 560.121, R 560.122, R 560.126, R 560.127, R 560.128, R 560.129, R 560.133, and R 560.135 is to streamline the actual practices and to have a better understanding of the rules with more clarification and interpretation.

C. What is the desired outcome?

The desired outcome is to eliminate unnecessary requirements in the code and to have an easier interpretation and clarification of these codes.

7. Identify the harm resulting from the behavior that the proposed rules are designed to alter and the likelihood that the harm will occur in the absence of the rule.

The following rule numbers R 560.103, R 560.106, R 560.108, R 560.109, R 560.110, R 560.113, R 560.116, R 560.117, R 560.118, R 560.131, R 560.132, and R 560.134 are being rescinded to eliminate unnecessary requirements in the code.

A. What is the rationale for changing the rules instead of leaving them as currently written?

The rationale to amend and eliminate R 560.103, R 560.106, R 560.109, R 560.110, R 560.116, R 560.118, R 560.131, R 560.132, and R 560.134 is to have an easier interpretation and clarification of these codes.

8. Describe how the proposed rules protect the health, safety, and welfare of Michigan citizens while promoting a regulatory environment in Michigan that is the least burdensome alternative for those required to comply.

The following rules numbers R 560.104, R 560.105, R 560.107, R 560.11, R 560.112, R 560.114, R 560.115, R 560.119, R 560.120, R 560.121, R 560.122, R 560.126, R 560.127, R 560.128, R 560.129, R 560.133 and R 560.135 are amended to clarify code requirements which will make compliance less burdensome. Once these rules are rescinded, it will help with easier interpretation and clarification of the codes, which will protect the health, safety, and welfare of Michigan citizens while promoting a regulatory environment in Michigan that is the least burdensome alternative for those required to comply.

9. Describe any rules in the affected rule set that are obsolete or unnecessary and can be rescinded.

The following rule numbers R 560.103, R 560.106, R 560.108, R 560.109, R 560.110, R 560.113, R 560.116, R 560.117, R 560.118, R 560.131, R 560.132, and R 560.134 are obsolete or unnecessary and are being rescinded.

10. Please provide the fiscal impact on the agency (an estimate of the cost of rule imposition or potential savings for the agency promulgating the rule).

There is no fiscal impact on the agency.

11. Describe whether or not an agency appropriation has been made or a funding source provided for any expenditures associated with the proposed rules.

There are no new or additional appropriations needed because no additional fiscal impact is expected.

12. Describe how the proposed rules are necessary and suitable to accomplish their purpose, in relationship to the burden(s) the rules place on individuals. Burdens may include fiscal or administrative burdens, or duplicative acts.

The following rule numbers R 560.104, R 560.105, R 560.107, R 560.111, R 560.112, R 560.114, R 560.115, R 560.119, R 560.120, R 560.121, R 560.122, R 560.126, R 560.127, R 560.128, R 560.129, R 560.133, and R 560.135 are administrative in nature and are being amended to bring the administrative application of the Subdivisions of Land rules in line with the actual practices.

A. Despite the identified burden(s), identify how the requirements in the rules are still needed and reasonable compared to the burdens.

The amendments will clarify code requirements which will make compliance less burdensome.

13. Estimate any increase or decrease in revenues to other state or local governmental units (i.e. cities, counties, school districts) as a result of the rule. Estimate the cost increases or reductions for other state or local governmental units (i.e. cities, counties, school districts) as a result of the rule. Include the cost of equipment, supplies, labor, and increased administrative costs in both the initial imposition of the rule and any ongoing monitoring.

No measurable fiscal impact on any state or local government agency's operating budget is expected. There are no cost increases or reductions for state or local governmental units.

14. Discuss any program, service, duty, or responsibility imposed upon any city, county, town, village, or school district by the rules.

No additional programs, service, or duty is imposed.

A. Describe any actions that governmental units must take to be in compliance with the rules. This section should include items such as record keeping and reporting requirements or changing operational practices.

There are no additional actions that are required by complying with the rules.

15. Describe whether or not an appropriation to state or local governmental units has been made or a funding source provided for any additional expenditures associated with the proposed rules.

There are no new or additional appropriations to state or local governmental units required.

16. In general, what impact will the rules have on rural areas?

There is no known impact on rural areas from this rule set.

A. Describe the types of public or private interests in rural areas that will be affected by the rules.

There is no known impact on rural areas from this rule set.

17. Do the proposed rules have any impact on the environment? If yes, please explain.

There is no known impact on the environment from this rule set.

18. Describe whether and how the agency considered exempting small businesses from the proposed rules.

The rules are required for the implementation of the Land Division Act, which standardizes the division of land throughout the state. Small businesses will benefit from the new rules by reducing and simplifying the platting requirements.

19. If small businesses are not exempt, describe (a) the manner in which the agency reduced the economic impact of the proposed rules on small businesses, including a detailed recitation of the efforts of the agency to comply with the mandate to reduce the disproportionate impact of the rules upon small businesses as described below (in accordance with MCL 24.240(1)(a-d)), or (b) the reasons such a reduction was not lawful or feasible.

Small businesses are not directly impacted by this rule set.

A. Identify and estimate the number of small businesses affected by the proposed rules and the probable effect on small businesses.

Hundreds of small businesses could be impacted by the benefits of the proposed rules by reducing and simplifying the platting requirements.

B. Describe how the agency established differing compliance or reporting requirements or timetables for small businesses under the rules after projecting the required reporting, record-keeping, and other administrative costs.

There are no reporting, record keeping, or timetable requirements that impact small businesses in the rules.

C. Describe how the agency consolidated or simplified the compliance and reporting requirements for small businesses and identify the skills necessary to comply with the reporting requirements.

There are no compliance or reporting requirements that impact small businesses in these rules.

D. Describe how the agency established performance standards to replace design or operation standards required by the proposed rules.

There are no design or operating standards that impact small businesses in these rules.

20. Identify any disproportionate impact the proposed rules may have on small businesses because of their size or geographic location.

The proposed rules have no disproportionate impact on small businesses because of their size or geographic location.

21. Identify the nature of any report and the estimated cost of its preparation by small businesses required to comply with the proposed rules.

There are no reporting requirements that impact small business in these rules.

22. Analyze the costs of compliance for all small businesses affected by the proposed rules, including costs of equipment, supplies, labor, and increased administrative costs.

There are no compliance requirements that impact small businesses in these rules.

23. Identify the nature and estimated cost of any legal, consulting, or accounting services that small businesses would incur in complying with the proposed rules.

Small businesses will not incur any costs of legal, consulting, or accounting services with the new proposed rules.

24. Estimate the ability of small businesses to absorb the costs without suffering economic harm and without adversely affecting competition in the marketplace.

There are no additional costs or harm anticipated with the proposed rules for small businesses.

25. Estimate the cost, if any, to the agency of administering or enforcing a rule that exempts or sets lesser standards for compliance by small businesses.

The proposed rules do not exempt or set lesser standards for compliance by small businesses. There is no additional cost to the agency.

26. Identify the impact on the public interest of exempting or setting lesser standards of compliance for small businesses.

There is no impact on the public interest of exempting or setting lesser standards of compliance for small businesses.

The benefit of reducing and simplifying the platting requirements will help the platting process move faster.

27. Describe whether and how the agency has involved small businesses in the development of the proposed rules.

The large majority of the surveying companies are small businesses. It's been asked for their input throughout the process as well as the involvement of the surveying licensing board.

A. If small businesses were involved in the development of the rules, please identify the business(es).

Small business participation on the committee mostly involves surveying companies.

28. Estimate the actual statewide compliance costs of the rule amendments on businesses or groups.

The proposed rules will not result in statewide compliance costs of these rule amendments on businesses or groups.

A. Identify the businesses or groups who will be directly affected by, bear the cost of, or directly benefit from the proposed rules.

The businesses or groups that could be directly affected by or directly benefit from the proposed rules are surveyors and surveying companies.

B. What additional costs will be imposed on businesses and other groups as a result of these proposed rules (i.e. new equipment, supplies, labor, accounting, or recordkeeping)? Please identify the types and number of businesses and groups. Be sure to quantify how each entity will be affected.

There will be no additional costs imposed on businesses or other groups as a result of these proposed rules.

29. Estimate the actual statewide compliance costs of the proposed rules on individuals (regulated individuals or the public). Include the costs of education, training, application fees, examination fees, license fees, new equipment, supplies, labor, accounting, or recordkeeping.

There are no actual statewide compliance costs of the rule amendments on individuals or the public.

A. How many and what category of individuals will be affected by the rules?

The category of individuals that could be affected by the rules are surveyors.

B. What qualitative and quantitative impact do the proposed changes in rules have on these individuals?

There is no qualitative and/or quantitative impact.

30. Quantify any cost reductions to businesses, individuals, groups of individuals, or governmental units as a result of the proposed rules.

There are no measurable cost reductions in anticipation through these rules.

31. Estimate the primary and direct benefits and any secondary or indirect benefits of the proposed rules. Please provide both quantitative and qualitative information, as well as your assumptions.

The only benefit the proposed rules have is reducing and simplifying the platting requirements.

32. Explain how the proposed rules will impact business growth and job creation (or elimination) in Michigan.

No measurable business growth is anticipated through these rules.

33. Identify any individuals or businesses who will be disproportionately affected by the rules as a result of their industrial sector, segment of the public, business size, or geographic location.

The businesses or individuals that will be affected by the proposed rules are the surveyors and surveying companies.

34. Identify the sources the agency relied upon in compiling the regulatory impact statement, including the methodology utilized in determining the existence and extent of the impact of the proposed rules and a cost-benefit analysis of the proposed rules.

The bureau had an advisory meeting with stakeholders involved to help compile the regulatory impact statement, including determining the existence and extent of the impact of the proposed rules and the cost benefits analysis of these proposed rules.

A. How were estimates made, and what were your assumptions? Include internal and external sources, published reports, information provided by associations or organizations, etc., which demonstrate a need for the proposed rules.

The bureau relied on the board and stakeholders when determining the existence and extent of the impact of the proposed rules.

35. Identify any reasonable alternatives to the proposed rules that would achieve the same or similar goals.

There are no reasonable alternatives to the proposed rules that have been identified.

A. Please include any statutory amendments that may be necessary to achieve such alternatives.

There are no reasonable alternatives to the proposed rules that have been identified.

36. Discuss the feasibility of establishing a regulatory program similar to that proposed in the rules that would operate through private market-based mechanisms. Please include a discussion of private market-based systems utilized by other states.

The bureau is unaware of similar programs or private market-based systems in other states.

36. Discuss the feasibility of establishing a regulatory program similar to that proposed in the rules that would operate through private market-based mechanisms. Please include a discussion of private market-based systems utilized by other states.

There were no significant alternatives presented for the bureau and rules committee to consider.

38. As required by MCL 24.245b(1)(c), please describe any instructions regarding the method of complying with the rules, if applicable.

Not applicable.