

PROPOSITION 315
[SCR 1012 - 2024]

rulemaking; legislative ratification; regulatory costs

ANALYSIS BY LEGISLATIVE COUNCIL

Legislative Council Staff Draft

1 Current law outlines the process in which state agencies adopt rules. A state agency
2 seeking to propose a rule must open a rulemaking docket to provide notice to the public of the
3 proposed rulemaking. The state agency is required to accept comments on the proposed rule for
4 at least 30 days before submitting the final rule to the Governor's Regulatory Review Council
5 (GRRC) for approval.

6 The Administrative Rules Oversight Committee (AROC) may also review any
7 rulemaking action to ensure conformity with statute and legislative intent. AROC may comment
8 and designate a representative to testify to GRRC on whether the rule is consistent with statute or
9 legislative intent. GRRC is required to consider the comments and testimony AROC and may
10 review and approve the rule or return the rule.

11 Proposition 315 would require a state agency to submit to the Office of Economic
12 Opportunity (OEO) for review a proposed rule that is estimated to increase regulatory costs in
13 Arizona by more than \$100,000 within five years after implementation. If OEO finds that the
14 proposed rule is estimated to increase regulatory costs in Arizona by more than \$500,000 within
15 five years after implementation, the proposed rule would not become effective until legislation is
16 enacted to ratify the proposed rule. After completing the review, OEO would be required to
17 submit the proposed rule to AROC at least 30 days before the start of the next legislative session.
18 AROC would be required to submit the proposed rule to the Legislature as soon as practicable.
19 Any member of the Legislature would be allowed to introduce legislation to ratify the proposed
20 rule and the proposed rule would be exempt from the statutory time frames and submission
21 requirements. If the Legislature does not ratify the proposed rule during the current legislative
22 session, the state agency would be required to terminate the proposed rulemaking by publishing a
23 notice of termination.

24 Proposition 315 would also:

- 25 1. Allow a legislator or a person who is regulated by a state agency that is proposing a
26 rule to request OEO to review a proposed rule.
27 2. Exempt any emergency rules from legislative ratification requirements.
28 3. Beginning on the effective date of this measure, provide that any new rule that is
29 subject to the regulatory cost review process is void and unenforceable unless the Legislature
30 ratified the rule.

31 Proposition 315 would not apply to the Corporation Commission.