HOUSE OF REPRESENTATIVES - FLOOR VERSION

STATE OF OKLAHOMA

2nd Session of the 55th Legislature (2016)

ENGROSSED SENATE BILL NO. 1130

By: Dahm of the Senate

and

Brumbaugh of the House

[state agency rules - modifying rights of the

Legislature regarding agency functions - modifying

deadlines for certain duties - allowing certain

documents to be provided on certain digital media
granting Legislature authority to amend proposed

and effective agency rules with or without

instructions - effective date]

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BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 75 O.S. 2011, Section 250.2, as amended by Section 1, Chapter 357, O.S.L. 2013 (75 O.S. Supp. 2015, Section 250.2), is amended to read as follows:

Section 250.2. A. Article V of the Oklahoma Constitution vests in the Legislature the power to make laws, and thereby to establish agencies and to designate agency functions, budgets and purposes.

Article VI of the Oklahoma Constitution charges the Executive Branch of Government with the responsibility to implement all measures enacted by the Legislature.

- B. In creating agencies and designating their functions and purposes, the Legislature may delegate rulemaking authority to executive branch agencies to facilitate administration of legislative policy. The delegation of rulemaking authority is intended to eliminate the necessity of establishing every administrative aspect of general public policy by legislation. In so doing, however, the Legislature reserves to itself:
- 1. The right to retract any delegation of rulemaking authority unless otherwise precluded by the Oklahoma Constitution;
- 2. The right to establish any aspect of general policy by legislation, notwithstanding any delegation of rulemaking authority;
- 3. The right and responsibility to designate the method for rule promulgation, review and modification;
- 4. The right to approve, amend or disapprove any adopted rule by joint resolution; and
- 5. The right to disapprove a proposed permanent, promulgated or emergency rule at any time if the Legislature determines such rule to be an imminent harm to the health, safety or welfare of the public or the state or if the Legislature determines that a rule is not consistent with legislative intent;

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- 6. The right to amend any rules as they proceed through the legislative review process; and
- 7. The right to establish a new agency rule directly through enactment of a joint resolution.
- SECTION 2. AMENDATORY 75 O.S. 2011, Section 250.4a, is amended to read as follows:

Section 250.4a. A. Any agency exempt from all or part of the Administrative Procedures Act pursuant to subsection A of Section 250.4 of this title shall maintain and make available for public inspection its exempt rules at its principal place of business, and shall also publish its exempt rules on its website. Provided, any rules that are subject to copyright protection and are adopted by an agency shall not be posted as provided in this act, but the agency shall provide a weblink, if available, to access the protected information from the owner of the copyright. If no weblink is available, the contact information for the owner of the copyright shall be made available.

B. It is recognized by the Oklahoma Legislature that agencies specified by subsection A of this section have published rules containing obsolete rules or internal policy statements or agency statements which do not meet the Administrative Procedures Act definition of rules. Therefore, by December 31, 2005, 31 of each year, each such agency shall conduct an internal review of its rules to determine whether each of its rules is current and is a rule as

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such term is defined by the Administrative Procedures Act. Any rule determined by an agency to be obsolete or an internal policy statement or any agency statement which does not meet the definition of a rule pursuant to the Administrative Procedures Act shall be deleted by the agency. Notice of such deletion shall be submitted to the Speaker of the House of Representatives, the President Pro Tempore of the Senate and the Governor for informational purposes.

- C. The provisions of this section shall not be construed to authorize any agency to amend any rule or to delete any rule which affects any private rights or procedures available to the public.
- SECTION 3. AMENDATORY 75 O.S. 2011, Section 250.10, as amended by Section 49, Chapter 227, O.S.L. 2013 (75 O.S. Supp. 2015, Section 250.10), is amended to read as follows:

Section 250.10. The Governor by Executive Order or either house of the Legislature or both houses of the Legislature by resolution, or a small business, may request an agency to review its rules to determine whether or not the rules in question should be amended, repealed or redrafted. The agency shall respond to such requests from the Governor or the Legislature within ninety (90) sixty (60) <a href="mailto:calendar days of such request.

- SECTION 4. AMENDATORY 75 O.S. 2011, Section 251, is amended to read as follows:
- Section 251. A. 1. Upon the request of the Secretary, each agency shall furnish to the Office a complete set of its permanent

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rules in such form as is required by the Secretary or as otherwise provided by law.

- 2. The Secretary shall promulgate rules to ensure the effective administration of the provisions of Article I of the Administrative Procedures Act. The rules shall include, but are not limited to, rules prescribing paper size, numbering system, and the format of documents required to be filed pursuant to the provisions of the Administrative Procedures Act or such other requirements as deemed necessary by the Secretary to implement the provisions of the Administrative Procedures Act.
- B. 1. Each agency shall file the number of copies specified by the Secretary of all new rules, and all amendments, revisions or revocations of existing rules attested to by the agency, pursuant to the provisions of Section 254 of this title, with the Office within thirty (30) calendar days after they become finally adopted.
- 2. An agency filing rules pursuant to the provisions of this subsection:
 - a. shall prepare the rules in plain language which can be easily understood,
 - b. shall not unnecessarily repeat statutory language.
 Whenever it is necessary to refer to statutory
 language in order to effectively convey the meaning of
 a rule interpreting that language, the reference shall
 clearly indicate the portion of the language which is

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statutory and the portion which is the agency's amplification or interpretation of that language,

- c. shall indicate whether a rule is new, amends an existing permanent rule or repeals an existing permanent rule. If a rule amends an existing rule, the rule shall indicate the language to be deleted typed with a line through the language and language to be inserted typed with the new language underscored,
- d. shall state if the rule supersedes an existing emergency rule,
- e. shall include a reference to any rule requiring a new or revised form in a note to the rule. The Secretary shall insert that reference in "The Oklahoma Register" as a notation to the affected rule,
- f. shall prepare, in plain language, an analysis of new or amended rules. The analysis shall include but not be limited to a reference to any statute that the rule interprets, any related statute or any related rule,
- g. may include with its rules, brief notes, illustrations, findings of facts, and references to digests of Supreme Court cases, other court decisions, or Attorney General's opinions, and other explanatory material. Such material may be included if the

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- material is labeled or set forth in a manner which clearly distinguishes it from the rules,
- h. shall include other information, in such form and in such manner as is required by the Secretary, and
- i. may change the format of existing rules without any rulemaking action by the agency in order to comply with the standard provisions established by the Secretary for "Code" and "The Oklahoma Register" publication so long as there is no substantive change to the rule.
- C. The Secretary is authorized to determine a numbering system and other standardized format for documents to be filed and may refuse to accept for publication any document that does not substantially conform to the promulgated rules of the Secretary.
- D. In order to avoid unnecessary expense, an agency may use the published standards established by organizations and technical societies of recognized national standing, other state agencies, or federal agencies by incorporating the standards or rules in its rules or regulations by reference to the specific issue or issues of publications in which the standards are published, without reproducing the standards in full. The standards shall be readily available to the public for examination at the administrative offices of the agency, and shall also be published on the agency's website. Provided, any rules that are subject to copyright

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protection and are adopted by an agency shall not be posted as provided in this act, but the agency shall provide a weblink, if available, to access the protected information from the owner of the copyright. If no weblink is available, the contact information for the owner of the copyright shall be made available. In addition, a copy of such standards shall be kept and maintained by the agency pursuant to the provisions of the Preservation of Essential Records Act.

- E. The Secretary shall provide for the publication of all Executive Orders received pursuant to the provisions of Section 664 of Title 74 of the Oklahoma Statutes.
- F. The Secretary may authorize or require the filing of rules or Executive Orders by or through electronic data or machine readable equipment in such form and manner as is required by the Secretary.
- SECTION 5. AMENDATORY 75 O.S. 2011, Section 255, is amended to read as follows:

Section 255. A. 1. The Secretary is hereby authorized, directed, and empowered to publish "The Oklahoma Register" not less than monthly for the publication of new rules, any amendment, revision or revocation of an existing rule, emergency rules, any notices of such rulemaking process and Executive Orders as are required by law to be published in "The Oklahoma Register". Said rules or amendments, revisions, or revocations of existing rules

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- shall be published in the first issue of "The Oklahoma Register" published pursuant to Sections 251, 253, 256, 303, 303.1, 303.2 and 308 of this title after the date of acceptance by the Secretary.

 Such publications may be made electronically on the website of the Secretary of State.
- 2. The Secretary shall cause a copy of each publication of "The Oklahoma Register" to be sent to those county clerks who request it, to members of the Legislature upon request, and to such other agencies, libraries, and officials as the Secretary may select. The Secretary may charge recipients of the publication a cost sufficient to defray the cost of publication and mailing. Such copies may be provided electronically.
- 3. The Secretary shall cause a copy of all rules, all new rules, and all amendments, revisions, or revocations of existing rules to be on file and available for public examination in the Office during normal office hours.
- 4. The Secretary shall promulgate rules to systematize the designations of rules. To establish said system or to preserve uniformity of designations, the Secretary may require the agency to change the title or numbering of any rule or any amendment, revision, or revocation thereof.
- B. The Secretary is authorized to provide for the publication of rules in summary form when the rules are of such length that publication of the full text would be too costly. The summary shall

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be prepared by the agency submitting the rules and shall state where the full text of the rule may be obtained, either physically or on the website of the Secretary of State or the submitting agency.

- C. The notice required pursuant to the provisions of Section 303 of this title shall be published in "The Oklahoma Register" prior to the adoption of a new rule, or amendment, revision or revocation of any existing rule. The notice shall include the information required by Section 303 of this title.
- SECTION 6. AMENDATORY 75 O.S. 2011, Section 257.1, is amended to read as follows:

Section 257.1. A. The Secretary is authorized to enter into and make reciprocal agreements with other states to allow exchanges of administrative codes of such states.

- B. 1. Each of the following offices shall be entitled to receive, as soon as available from the Secretary, without cost, one copy of the printed volumes of the "Code" and the supplements thereto or, upon request from an office, one copy of the "Code" and the supplements thereto on compact disc or other digital media:
 - a. County clerk of each county;
 - b. Clerk of the Supreme Court;
 - c. Attorney General;
 - d. Governor;
 - e. Speaker of the House of Representatives and the President Pro Tempore of the Senate;

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- f. the Research, Legal and Fiscal Divisions of the House of Representatives;
- g. the Legislative Division of the Senate; and
- h. the Department of Libraries for the Law Library.
- 2. The Department of Libraries is authorized to obtain number of copies of the "Code" and the supplements thereto necessary for use for deposit with the Publications Clearinghouse pursuant to Sections 3-113.1 through 3-115 of Title 65 of the Oklahoma Statutes. The Secretary is authorized to retain sufficient copies for exchange purposes with other states for copies of their rules.
- SECTION 7. AMENDATORY 75 O.S. 2011, Section 302, is amended to read as follows:
- Section 302. A. In addition to other rulemaking requirements imposed by law, each agency which has rulemaking authority, shall:
- 1. Promulgate as a rule a description of the organization of the agency, stating the general course and method of the operations of the agency and the methods whereby the public may obtain information or make submissions or requests;
- 2. Promulgate rules of practice setting forth the nature and requirements of all formal and informal procedures available, including a description of all forms and instructions issued by the agency for use by the public;
- 3. Make available for public inspection <u>and publish on its</u> website all rules and all other written statements of policy or

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interpretations formulated, adopted, promulgated or used by the agency in the discharge of its functions. Provided, any rules that are subject to copyright protection and are adopted by an agency shall not be posted as provided in this act, but the agency shall provide a weblink, if available, to access the protected information from the owner of the copyright. If no weblink is available, the contact information for the owner of the copyright shall be made available;

- 4. Make available for public inspection and publish on its website pursuant to the provisions of the Open Records Act all final orders, decisions and opinions.
- B. 1. An agency shall maintain an official rulemaking record for each proposed rule or promulgated rule. The record and materials incorporated by reference shall be available for public inspection and shall be published on the agency's website.

 Provided, any rules that are subject to copyright protection and are adopted by an agency shall not be posted as provided in this act, but the agency shall provide a weblink, if available, to access the protected information from the owner of the copyright. If no weblink is available, the contact information for the owner of the copyright shall be made available.
 - 2. The agency rulemaking record shall contain:

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a. copies of all publications in "The Oklahoma Register" with respect to the rule or the proceeding upon which the rule is based,b. copies of any portions of the agency's public

- b. copies of any portions of the agency's public rulemaking docket containing entries relating to the rule or the proceeding upon which the rule is based,
- c. all written petitions, requests, submissions, and comments received by the agency and all other written materials considered by the agency in connection with the formulation, proposal, or adoption of the rule or the proceeding upon which the rule is based,
- d. any official transcript of oral presentations made in the proceeding upon which the rule is based or, if not transcribed, any tape recording or stenographic record of those presentations, and any memorandum prepared by a presiding official summarizing the contents of those presentations,
- e. a copy of any regulatory analysis prepared for the proceeding upon which the rule is based,
- f. a copy of the rule and analysis of each such rule filed with the Office pursuant to Section 251 of this title,
- g. all petitions for exceptions to, amendments of, or repeal or suspension of, the rule,

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- h. a copy of the rule impact statement, if made, and
- i. such other information concerning such rules as may be determined necessary by the agency.
- 3. Upon judicial review, the record required by this section constitutes the official agency rulemaking record with respect to a rule. Except as otherwise required by a provision of law, the agency rulemaking record need not constitute the exclusive basis for agency action on that rule or for judicial review thereof.
- C. 1. By December 31, 2002, each Each agency that issues precedent-setting orders shall maintain and index all such orders that the agency intends to rely upon as precedent. The index and the orders shall be available for public inspection and copying in the main office and each regional or district office of the agency and shall be published on the agency's website. The orders shall be indexed by subject.
- 2. After December 31, 2002, an An order shall not be relied upon as precedent by an agency to the detriment of any person until it has been made available for public inspection and, indexed and published in the manner described in this subsection.
- 3. An agency shall consistently apply rules to each person subject to the jurisdiction of the agency regarding issuance of orders.

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- D. An agency shall not by internal policy, memorandum, or other form of action not otherwise authorized by the Administrative Procedures Act:
 - 1. Amend, interpret, implement, or repeal a statute or a rule;
 - 2. Expand upon or limit a statute or a rule; and
- 3. Except as authorized by the Constitution of the United States, the Oklahoma Constitution or a statute, expand or limit a right guaranteed by the Constitution of the United States, the Oklahoma Constitution, a statute, or a rule.
- E. Any agency memorandum, internal policy, or other form of action violative of this section or the spirit thereof is null, void, and unenforceable.
- F. This section shall not be construed to prohibit an agency issuing an opinion or administrative decision which is authorized by statute provided that, unless such opinion or administrative decision is issued pursuant to the procedures required pursuant to the Administrative Procedures Act, such decision or opinion shall not have the force and effect of law.
- SECTION 8. AMENDATORY 75 O.S. 2011, Section 303, as amended by Section 50, Chapter 227, O.S.L. 2013 (75 O.S. Supp. 2015, Section 303), is amended to read as follows:
- Section 303. A. Prior to the adoption of any rule or amendment or revocation of a rule, the agency shall:

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- 1. Cause notice of any intended action to be published in "The Oklahoma Register" pursuant to subsection B of this section;
- 2. Transmit one electronic copy of the complete text of all proposed permanent rules and the notice described in subsection B of this section to all members of the Legislature. Such transmission shall be made using the state online filing system and shall be made prior to or within three (3) days after the notice is submitted to the Secretary of State for publication in "The Oklahoma Register";
- 3. For at least thirty (30) days after publication of the notice of the intended rulemaking action, afford a comment period for all interested persons to submit data, views or arguments, orally or in writing. The agency shall consider fully all written and oral submissions respecting the proposed rule;
- 3. 4. Hold a hearing, if required, as provided by subsection C of this section;
- 4. 5. Consider the effect its intended action may have on the various types of business and governmental entities. Except where such modification or variance is prohibited by statute or constitutional constraints, if an agency finds that its actions may adversely affect any such entity, the agency may modify its actions to exclude that type of entity, or may "tier" its actions to allow rules, penalties, fines or reporting procedures and forms to vary according to the size of a business or governmental entity or its ability to comply or both. For business entities, the agency shall

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include a description of the probable quantitative and qualitative impact of the proposed rule, economic or otherwise, and use quantifiable data to the extent possible, taking into account both short-term and long-term consequences; and

- 5. 6. Consider the effect its intended action may have on the various types of consumer groups. If an agency finds that its actions may adversely affect such groups, the agency may modify its actions to exclude that type of activity.
- B. The notice required by paragraph 1 of subsection A of this section shall include, but not be limited to:
 - 1. In simple language, a brief summary of the rule;
 - 2. The proposed action being taken;

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- 3. The circumstances which created the need for the rule;
- 4. The specific legal authority authorizing the proposed rule;
- 5. The intended effect of the rule;
- 6. If the agency determines that the rule affects business entities, a request that such entities provide the agency, within the comment period, in dollar amounts if possible, the increase in the level of direct costs such as fees, and indirect costs such as reporting, recordkeeping, equipment, construction, labor, professional services, revenue loss, or other costs expected to be incurred by a particular entity due to compliance with the proposed rule;

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- 7. The time when, the place where, and the manner in which interested persons may present their views thereon pursuant to paragraph 3 of subsection A of this section;
- 8. Whether or not the agency intends to issue a rule impact statement according to subsection D of this section and where copies of such impact statement may be obtained for review by the public;
- 9. The time when, the place where, and the manner in which persons may demand a hearing on the proposed rule if the notice does not already provide for a hearing. If the notice provides for a hearing, the time and place of the hearing shall be specified in the notice; and
- 10. Where copies of the proposed rules may be obtained for review by the public. An agency may charge persons for the actual cost of mailing a copy of the proposed rules to such persons.

The number of copies of such notice as specified by the Secretary shall be submitted to the Secretary who shall publish the notice in "The Oklahoma Register" pursuant to the provisions of Section 255 of this title.

Prior to or within three (3) days after publication of the notice in "The Oklahoma Register", the agency shall cause a copy of the notice of the proposed rule adoption and the rule impact statement, if available, to be mailed to all persons who have made a timely request of the agency for advance notice of its rulemaking proceedings. Provided, in lieu of mailing copies, an agency may

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electronically notify interested persons that a copy of the proposed rule and the rule impact statement, if available, may be viewed on the agency's website. If an agency posts a copy of the proposed rule and rule impact statement on its website, the agency shall not charge persons for the cost of downloading or printing the proposed rule or impact statement. Each agency shall maintain a listing of persons or entities requesting such notice.

- C. 1. If the published notice does not already provide for a hearing, an agency shall schedule a hearing on a proposed rule if, within thirty (30) days after the published notice of the proposed rule adoption, a written request for a hearing is submitted by:
 - a. at least ten persons,
 - b. a political subdivision,
 - c. an agency, or

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d. an association having not less than twenty-five members.

At that hearing persons may present oral argument, data, and views on the proposed rule.

- 2. A hearing on a proposed rule may not be held earlier than thirty (30) days after notice of the hearing is published pursuant to subsection B of this section.
- 3. The provisions of this subsection shall not be construed to prevent an agency from holding a hearing or hearings on the proposed rule although not required by the provisions of this subsection;

provided that notice of such hearing shall be published in "The Oklahoma Register" at least thirty (30) days prior to such hearing.

- D. 1. Except as otherwise provided in this subsection, an agency shall issue a rule impact statement of a proposed rule prior to or within fifteen (15) days after the date of publication of the notice of proposed rule adoption. The rule impact statement may be modified after any hearing or comment period afforded pursuant to the provisions of this section.
- 2. Except as otherwise provided in this subsection, the rule impact statement shall include, but not be limited to:
 - a brief description of the purpose of the proposed rule,
 - b. a description of the classes of persons who most likely will be affected by the proposed rule, including classes that will bear the costs of the proposed rule, and any information on cost impacts received by the agency from any private or public entities,
 - c. a description of the classes of persons who will benefit from the proposed rule,
 - d. a description of the probable economic impact of the proposed rule upon affected classes of persons or political subdivisions, including a listing of all fee

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changes and, whenever possible, a separate justification for each fee change,

- e. the probable costs and benefits to the agency and to any other agency of the implementation and enforcement of the proposed rule, the source of revenue to be used for implementation and enforcement of the proposed rule, and any anticipated effect on state revenues, including a projected net loss or gain in such revenues if it can be projected by the agency,
- f. a determination of whether implementation of the proposed rule will have an economic impact on any political subdivisions or require their cooperation in implementing or enforcing the rule,
- g. a determination of whether implementation of the proposed rule may have an adverse economic effect on small business as provided by the Oklahoma Small Business Regulatory Flexibility Act,
- h. an explanation of the measures the agency has taken to minimize compliance costs and a determination of whether there are less costly or nonregulatory methods or less intrusive methods for achieving the purpose of the proposed rule,
- i. a determination of the effect of the proposed rule on the public health, safety and environment and, if the

- proposed rule is designed to reduce significant risks to the public health, safety and environment, an explanation of the nature of the risk and to what extent the proposed rule will reduce the risk,
- j. a determination of any detrimental effect on the public health, safety and environment if the proposed rule is not implemented, and
- k. the date the rule impact statement was prepared and if modified, the date modified.
- 3. To the extent an agency for good cause finds the preparation of a rule impact statement or the specified contents thereof are unnecessary or contrary to the public interest in the process of adopting a particular rule, the agency may request the Governor to waive such requirement. Upon request by an agency, the Governor may also waive the rule impact statement requirements if the agency is required to implement a statute or federal requirement that does not require an agency to interpret or describe the requirements, such as federally mandated provisions which afford the agency no discretion to consider less restrictive alternatives. If the Governor fails to waive such requirement, in writing, prior to publication of the notice of the intended rulemaking action, the rule impact statement shall be completed. The determination to waive the rule impact statement statement shall not be subject to judicial review.

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- 4. The rule shall not be invalidated on the ground that the contents of the rule impact statement are insufficient or inaccurate.
- E. Upon completing the requirements of this section, an agency may adopt a proposed rule. No rule is valid unless adopted in substantial compliance with the provisions of this section.
- SECTION 9. AMENDATORY 75 O.S. 2011, Section 305, is amended to read as follows:

Section 305. An interested person may petition an agency requesting the promulgation, amendment, or repeal of a rule. Each agency shall prescribe by rule the form for petitions and the procedure for their submission, consideration, and disposition. The agency shall act upon said petition within a reasonable time. If, within thirty (30) calendar days after submission of a petition, the agency has not initiated rulemaking proceedings in accordance with the Administrative Procedures Act, the petition shall be deemed to have been denied.

SECTION 10. AMENDATORY 75 O.S. 2011, Section 307.1, is amended to read as follows:

Section 307.1. A. The Speaker of the House of Representatives and the President Pro Tempore of the Senate may each establish a rule review committee or designate standing committees of each such house to review administrative rules.

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- B. Such committees may meet separately or jointly at any time, during sessions of the Legislature and in the interim.
- C. The function of the committees so established or designated shall be the review and promotion of adequate and proper rules by agencies and developing an understanding on the part of the public respecting such rules. Such function shall be advisory only.

Each committee may review all adopted rules and such other rules the committee deems appropriate and may make recommendations concerning such rules to their respective house of the Legislature, or to the agency adopting the rule, or to both their respective house of the Legislature and the agency.

- D. In addition to the review of agency-adopted rules pursuant to this act, each such committee shall have the power and duty to:
- 1. Conduct a continuous study and investigations as to whether additional legislation or changes in legislation are needed based on various factors, including but not limited to, review of proposed rules, review of existing rules including but not limited to consideration of amendments to or repeal of existing rules, the lack of rules, the ability of agencies to promulgate such rules, and the needs of administrative agencies;
- 2. Conduct a continuous study of the existing rules of each agency under its jurisdiction to determine if such rules should be amended by the Legislature as provided by law;

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3. Conduct a continuous study of the rulemaking process of all state agencies including those agencies exempted by Section 250.4 of this title for the purpose of improving the rulemaking process;

- 3. 4. Conduct such other studies and investigations relating to rules as may be determined to be necessary by the committee; and
- 4. 5. Monitor and investigate compliance of agencies with the provisions of the Administrative Procedures Act, make periodic investigations of the rulemaking activities of all agencies and evaluate and report on all rules in terms of their propriety, legal adequacy, relation to statutory authorization, economic and budgetary effects and public policy.

SECTION 11. AMENDATORY 75 O.S. 2011, Section 308, as amended by Section 4, Chapter 357, O.S.L. 2013 (75 O.S. Supp. 2015, Section 308), is amended to read as follows:

Section 308. A. Upon receipt of any adopted rules, the Speaker of the House of Representatives and the President Pro Tempore of the Senate shall assign such rules to the appropriate committees of each house of the Legislature for review. Except as otherwise provided by this section:

- 1. If such rules Rules are to be received on or before April 1

 February 1, and the Legislature shall have until the last day of the regular legislative session of that year to review such rules; and
- 2. If such rules are <u>submitted by agencies that are subject to</u> federal requirements which require additional time, then such rules

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may be received after on or before April 1, the. The Legislature shall have until the last day of the regular legislative session of the next that year to review such rules. If such rules are received after April 1, the Legislature shall have until the last day of the regular legislative session of the next year to review such rules.

- B. By the adoption of a joint resolution during the review period specified in subsection A of this section, the Legislature may disapprove or amend any rule. Any such action may apply to any rule in whole or in part. The Legislature may also take any such action and provide further instructions to the agency that promulgated the rule.
- C. Unless otherwise authorized by the Legislature, whenever a rule is disapproved as provided in subsection B of this section, the agency adopting such rules shall not have authority to resubmit an identical rule, except during the first sixty (60) calendar days of the next regular legislative session. Any effective emergency rule which would have been superseded by a disapproved permanent rule shall be deemed null and void on the date the Legislature disapproves the permanent rule. Rules may be disapproved in part or in whole by the Legislature. Upon enactment of any joint resolution disapproving or amending a rule, the agency shall file notice of such legislative disapproval or amendment with the Secretary for publication in "The Oklahoma Register".

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- D. Unless otherwise provided by specific vote of the Legislature, joint resolutions introduced for purposes of disapproving or amending a rule or the omnibus joint resolution described in Section 6 308.3 of this act title shall not be subject to regular legislative cutoff dates, shall be limited to such provisions as may be necessary for disapproval or amendment of a rule, and any such other direction or mandate regarding the rule deemed necessary by the Legislature. The resolution shall contain no other provisions.
- E. A proposed permanent rule shall be deemed finally adopted if:
- 1. Approved or amended by the Legislature pursuant to Section 6

 308.3 of this act title, provided that any such joint resolution
 becomes law in accordance with Section 11 of Article VI of the
 Oklahoma Constitution;
- 2. Approved by the Governor pursuant to subsection D of Section 6 308.3 of this act title;
- 3. Approved <u>or amended</u> by a joint resolution pursuant to subsection B of this section, provided that any such resolution becomes law in accordance with Section 11 of Article VI of the Oklahoma Constitution; or
- 4. Disapproved by a joint resolution pursuant to subsection B of this section or Section $\frac{6}{308.3}$ of this $\frac{1}{308.3}$ of thi

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vetoed by the Governor in accordance with Section 11 of Article VI of the Oklahoma Constitution and the veto has not been overridden.

- F. Prior to final adoption of a rule, an agency may withdraw a rule from legislative review. Notice of such withdrawal shall be given to the Governor, the Speaker of the House of Representatives, the President Pro Tempore of the Senate, and to the Secretary for publication in "The Oklahoma Register".
- G. An agency may promulgate an emergency rule only pursuant to Section 253 of this title.
- H. Any rights, privileges, or interests gained by any person by operation of an emergency rule, shall not be affected by reason of any subsequent disapproval or, rejection or amendment of such rule by either house of the Legislature.
- SECTION 12. AMENDATORY 75 O.S. 2011, Section 308.1, as amended by Section 5, Chapter 357, O.S.L. 2013 (75 O.S. Supp. 2015, Section 308.1), is amended to read as follows:
- Section 308.1. A. Upon final adoption, the agency shall submit the rule to the Secretary for filing and publishing such rule pursuant to Sections 251 and 255 of this title.
- B. The text of the rule submitted for publication shall be the same as the text of the rule that has been finally adopted.
- C. After final adoption, filing, and publication, an effective agency rule may be amended by the Legislature in a joint resolution if such resolution becomes law in accordance with Section 11 of

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Article VI of the Oklahoma Constitution. Unless otherwise provided by specific vote of the Legislature, joint resolutions introduced for purposes of amending a rule shall not be subject to regular legislative cutoff dates, shall be limited to such provisions as may be necessary for amendment of a rule, and any such other direction or mandate regarding the rule deemed necessary by the Legislature. The resolution shall contain no other provisions.

SECTION 13. AMENDATORY Section 6, Chapter 357, O.S.L. 2013 (75 O.S. Supp. 2015, Section 308.3), is amended to read as follows:

Section 308.3. A. The Legislature $\frac{1}{2}$ may have an omnibus joint resolution prepared for consideration each session.

- B. The joint resolution shall be substantially in the following form: "All proposed permanent rules of Oklahoma state agencies filed on or before April 1 are hereby approved except for the following:".
- C. For the purpose of this section, a proposed permanent rule may be disapproved, in whole or in part or amended, in the omnibus joint resolution considered by the Legislature.
- D. 1. If an agency believes that a rule has not been approved by the Legislature pursuant to this section and should be approved and finally adopted, the agency may seek the Governor's declaration approving the rule.

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- 2. In seeking the approval of a proposed permanent rule, the agency shall submit a petition to the Governor that affirmatively states:
 - a. the rule is necessary, and

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- b. a citation to the source of its authority to make the rule.
- 3. a. If the Governor finds that the necessity does exist, and that the agency has the authority to make the rule, the Governor may declare the rule to be approved and finally adopted by publishing that declaration in "The Oklahoma Register" on or before July 17 of that year.
 - b. The declaration shall set forth the rule to be approved, the reasons the approval is necessary, and a citation to the source of the agency's authority to make the rule.
- 4. If the omnibus joint resolution fails to pass both houses of the Legislature and be signed by the Governor or is found by the Governor to have a technical legal defect nonsubstantive error preventing approval of administrative rules intended to be approved by the Legislature, the Governor may declare all rules to be approved and finally adopted by publishing a single declaration in "The Oklahoma Register" on or before July 17 without meeting requirements of paragraphs 2 and 3 of this subsection. If the

Governor finds that the joint resolution has a technical legal defect nonsubstantive error, the Governor shall make the finding in writing and submit the finding to the Legislature.

SECTION 14. AMENDATORY 75 O.S. 2011, Section 317, is amended to read as follows:

Section 317. A. A final agency order issued by an administrative head of an agency shall be subject to rehearing, reopening or reconsideration by such administrative head. Any application or request for such rehearing, reopening or reconsideration shall be made by any party aggrieved by the final agency order within ten (10) thirty (30) days from the date of the entry of such final agency order. The grounds for such action shall be either:

- 1. Newly discovered or newly available evidence, relevant to the issues;
- 2. Need for additional evidence adequately to develop the facts essential to proper decision;
- 3. Probable error committed by the agency in the proceeding or in its decision such as would be ground for reversal on judicial review of the final agency order;
- 4. Need for further consideration of the issues and the evidence in the public interest; or
- 5. A showing that issues not previously considered ought to be examined in order properly to dispose of the matter.

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- B. The order of the agency granting rehearing, reconsideration or review, or the petition of a party therefor, shall set forth the grounds which justify such action.
- C. Nothing in this section shall prevent rehearing, reopening or reconsideration of a matter by any agency in accordance with other statutory provisions applicable to such agency, or, at any time, on the ground of fraud practiced by the prevailing party or of procurement of the order by perjured testimony or fictitious evidence.
- D. On reconsideration, reopening, or rehearing, the matter may be heard by the agency, or it may be referred to a hearing examiner. The hearing shall be confined to those grounds upon which the reconsideration, reopening or rehearing was ordered.
- E. If an application for rehearing shall be timely filed, the period within which judicial review, under the applicable statute, must be sought, shall run from the final disposition of such application.
 - SECTION 15. This act shall become effective November 1, 2016.

COMMITTEE REPORT BY: COMMITTEE ON ADMINISTRATIVE RULES, dated 04/06/2016 - DO PASS, As Amended.

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