



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
Second Regular Session

Senate: GOV DP 5-2-1-0 | 3rd Read 16-10-4-0

SB 1153: regulatory costs; rulemaking; legislative ratification

Sponsor: Senator Kern, LD 27

Committee on Regulatory Affairs

Overview

Prescribes the requirements for specified proposed rules to be ratified by the Legislature before enactment.

History

The mission of OEO is to expand economic opportunities for people in Arizona by leading the analysis and evaluation of Arizona's population and economy and investing in communities to power the state's economic growth ([OEO](#)).

Statute designates AROC to oversee the adoption of rules by state agencies. The 11-member committee includes: 1) five members of the House of Representatives appointed by the Speaker; 2) five members of the Senate appointed by the President; 3) the Governor or designee. Legislative Council serves as the staff for AROC ([A.R.S. § 41-1046](#)).

Statute prohibits state agencies from conducting rulemaking without prior written approval of the Governor. State agencies may not adopt any new rule that would increase existing regulatory burdens on the free exercise of property rights or the freedom to engage in lawful business or occupation unless: 1) the rule reduces regulatory restraints or burdens; or 2) is necessary to implement statutes or is required by a final court order or decision ([A.R.S. § 41-1038 et al.](#)).

Provisions

1. Directs an agency to submit a proposed rule to OEO for review if the rule is estimated to increase state regulatory costs by more than \$100,000 within 5 years after implementation. (Sec. 1)
2. Stipulates that if the OEO confirms the estimated regulatory costs will increase by more than \$500,000 within 5 years after the proposed rule's implementation, then the rule may not become effective until the Legislature ratifies the proposed rule. (Sec. 1)
3. Instructs OEO to submit the proposed rule to AROC no later than 30 days before the next regular legislative session. (Sec. 1)
4. Requires AROC to submit the proposed rule to the Legislature when practicable. (Sec. 1)
5. Authorizes any legislator to sponsor legislation to ratify the proposed rule, which is exempt from the statute relating to the time and manner of rulemaking. (Sec. 1)
6. Prohibits an agency from filing a final rule with the Secretary of State before obtaining legislative approval through legislation ratifying the proposed rule. (Sec. 1)

Prop 105 (45 votes) Prop 108 (40 votes) Emergency (40 votes) Fiscal Note

7. Requires an agency to publish a *notice of termination* in the register and terminate the proposed rulemaking if the Legislature does not enact legislation to ratify the proposed rule during the current legislative session.
8. Allows a person who is regulated by an agency proposing a rule or a legislator to request OEO to review the rule.
9. Excludes emergency rulemaking from the legislative ratification requirements. (Sec. 1)
10. States that, beginning on the general effective date, a rule is void and unenforceable unless the rule is ratified as prescribed. (Sec. 1)
11. Excludes the Arizona Corporation Commission from the requirements of legislative ratification of proposed rules. (Sec. 1)