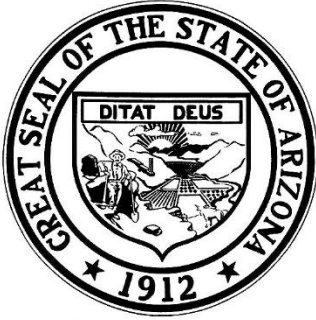


HOUSE FLOOR AMENDMENT EXPLANATION



Bill Number: **HB 2594**

Blackman Floor Amendment

-
- Alters Council meeting requirements.
 - Describes the required members of the council and who can appoint them.
 - Contains a retention clause for current members.

Amendment explanation prepared by M. Bencomo

Phone Number 6-3649

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2/25/2025

BLACKMAN FLOOR AMENDMENT
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2594
(Reference to GOVERNMENT Committee amendment)

Amendment instruction key:

[GREEN UPPERCASE UNDERLINING IN BRACKETS] indicates that the amendment is adding text to statute or previously enacted session law.
[Green lowercase underlining in brackets] indicates that the amendment is adding text to new session law or is restoring previously stricken text to existing statute.
~~[GREEN UPPERCASE STRIKEOUT IN BRACKETS]~~ indicates that the amendment is removing new text from statute or previously enacted session law.
~~[Green lowercase strikeout in brackets]~~ indicates that the amendment is removing text from existing statute, previously enacted session law or new session law.
<<Double green carets enclosing an entire section>> indicates that the amendment is adding the section to the bill.
~~<<Green strikeout with double green carets enclosing an entire section>>~~ indicates that the amendment is removing the section to the bill.
{[ORANGE UPPERCASE UNDERLINING IN DOUBLE CURLY BRACKETS]} indicates that the amendment to an amendment is adding text to statute or previously enacted session law.
{[Orange lowercase underlining in double curly brackets]} indicates that the amendment to an amendment is adding text to new session law or is restoring previously stricken text to existing statute.
~~{[ORANGE UPPERCASE STRIKEOUT IN DOUBLE CURLY BRACKETS]}~~ indicates that the amendment to an amendment is removing new text from statute or previously enacted session law.
~~{[Orange lowercase strikeout in double curly brackets]}~~ indicates that the amendment to an amendment is removing text from existing statute, previously enacted session law or new session law.
<<Double orange underlined carets enclosing an entire section>> indicate that the amendment to an amendment is adding the section to the bill.
~~<<Orange strikeout with double orange underlined carets enclosing an entire section>>~~ indicates that the amendment to an amendment is removing the section from the bill.

1 The bill as proposed to be amended is reprinted as follows:

2 <<Section 1. Section 41-1033, Arizona Revised Statutes, is amended
3 to read:

4 41-1033. Petition for a rule or review of an agency practice,
5 substantive policy statement, final rule or unduly
6 burdensome licensing requirement; notice

7 A. Any person may petition an agency to do either of the following:

8 1. Make, amend or repeal a final rule.

9 2. Review an existing agency practice or substantive policy
10 statement that the petitioner alleges to constitute a rule.

11 B. An agency shall prescribe the form of the petition and the
12 procedures for the petition's submission, consideration and disposition.
13 The person shall state on the petition the rulemaking to review or the
14 agency practice or substantive policy statement to consider revising,
15 repealing or making into a rule.

1 C. Not later than sixty days after submission of the petition, the
2 agency shall either:

3 1. Reject the petition and state its reasons in writing for
4 rejection to the petitioner.

5 2. Initiate rulemaking proceedings in accordance with this chapter.

6 3. If otherwise lawful, make a rule.

7 D. The agency's response to the petition is open to public
8 inspection.

9 E. If an agency rejects a petition pursuant to subsection C of this
10 section, the petitioner has thirty days to appeal to the council to review
11 whether the existing agency practice or substantive policy statement
12 constitutes a rule. The petitioner's appeal may not be more than five
13 double-spaced pages.

14 F. A person may petition the council to request a review of a final
15 rule based on the person's belief that the final rule does not meet the
16 requirements prescribed in section 41-1030. A petition submitted under
17 this subsection may not be more than five double-spaced pages.

18 G. A person may petition the council to request a review of an
19 existing agency practice, substantive policy statement, final rule or
20 regulatory licensing requirement that the petitioner alleges is not
21 specifically authorized by statute, exceeds the agency's statutory
22 authority, is unduly burdensome [. VIOLATES A PERSON'S FUNDAMENTAL LEGAL
23 RIGHTS] or is not demonstrated to be necessary to specifically fulfill a
24 public health, safety or welfare concern. On receipt of a properly
25 submitted petition pursuant to this section, the council shall review the
26 existing agency practice, substantive policy statement, final rule or
27 regulatory licensing requirement as prescribed by this section. A
28 petition submitted under this subsection may not be more than five
29 double-spaced pages. This subsection does not apply to an individual or
30 institution that is subject to title 36, chapter 4, article 10 or
31 chapter 20.

32 H. If the council receives information that alleges an existing
33 agency practice or substantive policy statement may constitute a rule,
34 that a final rule does not meet the requirements prescribed in section
35 41-1030 or that an existing agency practice, substantive policy statement,
36 final rule or regulatory licensing requirement exceeds the agency's
37 statutory authority, is not specifically authorized by statute or does not
38 meet the guidelines prescribed in subsection G of this section, or if the
39 council receives an appeal under subsection E of this section, [{{and at
40 least three council members request of the chairperson that}}] the matter
41 [{{shall}}] be heard in a public meeting ~~{{[AND THE COUNCIL SHALL NOTIFY~~
42 ~~THE AGENCY THAT THE MATTER HAS BEEN PLACED ON THE COUNCIL'S AGENDA.~~
43 ~~BEFORE THE PUBLIC MEETING IS HELD, THE FOLLOWING MUST BE COMPLETED}}]:~~

44 1. Within ninety days after [{{receiving the third council member's
45 request}}] ~~{{[RECEIVING THE PETITION]}}~~, the council shall determine
46 whether any of the following applies:

1 (a) The agency practice or substantive policy statement constitutes
2 a rule.

3 (b) The final rule meets the requirements prescribed in section
4 41-1030.

5 (c) An existing agency practice, substantive policy statement,
6 final rule or regulatory licensing requirement exceeds the agency's
7 statutory authority, is not specifically authorized by statute or ~~[meets]~~
8 ~~[DOES NOT MEET]~~ the guidelines prescribed in subsection G of this section.

9 ~~[[{2. Within ten days after receiving the third council member's~~
10 ~~request, the council shall notify the agency that the matter has been or~~
11 ~~will be placed on the council's agenda for consideration on the merits.}]]~~

12 ~~[[{3.}]]~~ ~~[[{2.}]]~~ Not later than thirty days after receiving
13 notice from the council, the agency shall submit a statement of not more
14 than five double-spaced pages to the council that addresses whether any of
15 the following applies:

16 (a) The existing agency practice or substantive policy statement
17 constitutes a rule.

18 (b) The final rule meets the requirements prescribed in section
19 41-1030.

20 (c) An existing agency practice, substantive policy statement,
21 final rule or regulatory licensing requirement exceeds the agency's
22 statutory authority, is not specifically authorized by statute or meets
23 the guidelines prescribed in subsection G of this section.

24 I. At the hearing, the council shall allocate the petitioner and
25 the agency an equal amount of time for oral comments not including any
26 time spent answering questions raised by council members. The council may
27 also allocate time for members of the public who have an interest in the
28 issue to provide oral comments.

29 J. For the purposes of subsection H of this section, the council
30 meeting shall not be scheduled until the expiration of the agency response
31 period prescribed in subsection H, paragraph ~~[[{3.}]]~~ ~~[[{2}]]~~ of this
32 section.

33 K. An agency practice, substantive policy statement, final rule or
34 regulatory licensing requirement considered by the council pursuant to
35 this section shall remain in effect while under consideration of the
36 council. If the council determines that the agency practice, substantive
37 policy statement or regulatory licensing requirement exceeds the agency's
38 statutory authority, is not authorized by statute or constitutes a rule or
39 that the final rule does not meet the requirements prescribed in section
40 41-1030, the practice, policy statement, rule or regulatory licensing
41 requirement shall be void. If the council determines that the existing
42 agency practice, substantive policy statement, final rule or regulatory
43 licensing requirement is unduly burdensome or is not demonstrated to be
44 necessary to specifically fulfill a public health, safety or welfare
45 concern, the council shall modify, revise or declare void any such
46 existing agency practice, substantive policy statement, final rule or
47 regulatory licensing requirement. If an agency decides to further pursue

1 a practice, substantive policy statement or regulatory licensing
2 requirement that has been declared void or has been modified or revised by
3 the council, the agency may do so only pursuant to a new rulemaking.

4 L. A council decision pursuant to this section shall be made by a
5 majority of the council members who are present and voting on the
6 issue. Notwithstanding any other law, the council may not base any
7 decision concerning an agency's compliance with the requirements of
8 section 41-1030 in issuing a final rule or substantive policy statement on
9 whether any party or person commented on the rulemaking or substantive
10 policy statement.

11 M. A decision by the council pursuant to this section is not
12 subject to judicial review, except that, in addition to the procedure
13 prescribed in this section or in lieu of the procedure prescribed in this
14 section, a person may seek declaratory relief pursuant to section 41-1034.

15 N. Each agency and the secretary of state shall post prominently on
16 their websites notice of an individual's right to petition the council for
17 review pursuant to this section.>>

18 <<Sec. 2. Section 41-1051, Arizona Revised Statutes, is amended to
19 read:

20 41-1051. Governor's regulatory review council; membership;
21 terms; compensation; powers

22 ~~{{A. The governor's regulatory review council is established~~
23 ~~consisting of six members who are appointed by the governor pursuant to~~
24 ~~section 38-211 and who are subject to sections 38-291 and 38-295 and the~~
25 ~~director of the department of administration or the assistant director of~~
26 ~~the department of administration who is responsible for administering the~~
27 ~~council. [THE ASSISTANT DIRECTOR MAY NOT BE THE GENERAL COUNSEL OF THE~~
28 ~~DEPARTMENT OF ADMINISTRATION.] The director or assistant director is an~~
29 ~~ex officio member and chairperson of the council [AND SHALL OVERSEE THE~~
30 ~~LEGAL AND ECONOMIC ANALYSIS OF ANY RULES RECEIVED BY THE COUNCIL]. The~~
31 ~~council shall elect a [vice-chairperson] [VICE CHAIRPERSON] to serve as~~
32 ~~chairperson in the chairperson's absence. The governor shall appoint at~~
33 ~~least one member who represents the public interest, at least one member~~
34 ~~who represents the business community, at least one member who is a small~~
35 ~~business owner, one member from a list of three persons who are not~~
36 ~~legislators submitted by the president of the senate and one member from a~~
37 ~~list of three persons who are not legislators submitted by the speaker of~~
38 ~~the house of representatives. At least one member of the council shall be~~
39 ~~an attorney licensed to practice law in this state. The governor shall~~
40 ~~appoint the members of the council for staggered terms of three years. A~~
41 ~~vacancy occurring during the term of office of any member shall be filled~~
42 ~~by appointment by the governor for the unexpired portion of the term in~~
43 ~~the same manner as provided in this section.}}~~

44 ~~{{A. THE GOVERNOR'S REGULATORY REVIEW COUNCIL IS ESTABLISHED~~
45 ~~CONSISTING OF THE FOLLOWING MEMBERS:~~

46 ~~1. THE DIRECTOR OF THE DEPARTMENT OF ADMINISTRATION OR THE~~
47 ~~ASSISTANT DIRECTOR OF THE DEPARTMENT OF ADMINISTRATION WHO IS RESPONSIBLE~~

1 FOR ADMINISTERING THE COUNCIL. THE ASSISTANT DIRECTOR MAY NOT BE THE
2 GENERAL COUNSEL OF THE DEPARTMENT OF ADMINISTRATION. THE DIRECTOR OR
3 ASSISTANT DIRECTOR IS AN ADVISORY MEMBER AND CHAIRPERSON OF THE COUNCIL
4 AND SHALL OVERSEE THE LEGAL AND ECONOMIC ANALYSIS OF ANY RULES RECEIVED BY
5 THE COUNCIL.

6 2. TWO MEMBERS WHO ARE APPOINTED BY THE GOVERNOR PURSUANT TO
7 SECTION 38-211.

8 3. ONE MEMBER WHO IS APPOINTED BY THE GOVERNOR FROM A LIST OF FIVE
9 PERSONS WHO ARE NOT LEGISLATORS AND WHO ARE SUBMITTED JOINTLY BY THE
10 PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

11 4. ONE MEMBER WHO IS APPOINTED BY THE PRESIDENT OF THE SENATE.

12 5. ONE MEMBER WHO IS APPOINTED BY THE SPEAKER OF THE HOUSE OF
13 REPRESENTATIVES.

14 6. ONE MEMBER WHO IS APPOINTED JOINTLY BY THE PRESIDENT OF THE
15 SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

16 B. MEMBERS OF THE COUNCIL WHO ARE APPOINTED PURSUANT TO SUBSECTION
17 A OF THIS SECTION SHALL BE APPOINTED FOR STAGGERED TERMS OF THREE YEARS
18 AND MAY BE REAPPOINTED. THE COUNCIL SHALL ELECT A VICE CHAIRPERSON TO
19 SERVE AS CHAIRPERSON IN THE CHAIRPERSON'S ABSENCE. A VACANCY OCCURRING
20 DURING THE TERM OF OFFICE OF ANY MEMBER SHALL BE FILLED FOR THE UNEXPIRED
21 PORTION OF THE TERM IN THE SAME MANNER AS THE INITIAL APPOINTMENT.}}

22 ~~{{B.}}~~ ~~{{C.}}~~ The council shall meet at least once a month at a
23 time and place set by the chairperson and at other times and places as the
24 chairperson deems necessary.

25 ~~{{C.}}~~ ~~{{D.}}~~ Members of the council are eligible to receive
26 compensation in an amount of ~~[two hundred dollars]~~ [\$200] for each day on
27 which the council meets and reimbursement of expenses pursuant to title
28 38, chapter 4, article 2.

29 ~~{{D.}}~~ ~~{{E.}}~~ The chairperson, subject to chapter 4, article 4
30 and, as applicable, articles 5 and 6 of this title, shall employ,
31 determine the conditions of employment of and specify the duties of
32 administrative, secretarial and clerical employees as the chairperson
33 deems necessary.

34 ~~{{E.}}~~ ~~{{F.}}~~ The council may make rules pursuant to this chapter
35 to carry out the purposes of this chapter.

36 ~~{{F.}}~~ ~~{{G.}}~~ The council shall make a list of agency rules
37 approved or returned pursuant to sections 41-1027 and 41-1052 and section
38 41-1056, subsection C for the previous twelve-month period available to
39 the public on request and on the council's website.

40 ~~{{G.}}~~ ~~{{H.}}~~ COUNCIL STAFF SHALL DO BOTH OF THE FOLLOWING:

41 1. INDEPENDENTLY REVIEW THE CONSTITUTION OF THIS STATE AND ANY
42 RELEVANT STATUTES AND ADVISE THE COUNCIL ON THE CONSTITUTIONALITY OF A
43 RULE INDEPENDENT OF AN AGENCY'S STATUTORY JUSTIFICATION FOR THE RULE.

44 2. DISTRIBUTE ALL COUNCIL MEETING MATERIALS TO THE PRESIDENT OF THE
45 SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AT THE SAME TIME
46 THE MATERIALS ARE DISTRIBUTED TO THE MEMBERS OF THE COUNCIL.]>>

1 <<Sec. 3. Section 41-1052, Arizona Revised Statutes, is amended to
2 read:

3 41-1052. Council review and approval; rule expiration;
4 definition

5 A. Before filing a final rule subject to this section with the
6 secretary of state, an agency shall prepare, transmit to the council and
7 the committee and obtain the council's approval of the rule and its
8 preamble and economic, small business and consumer impact statement that
9 meets the requirements of section 41-1055. The office of economic
10 opportunity shall prepare the economic, small business and consumer impact
11 statement.

12 B. The council shall accept an early review petition of a proposed
13 rule, in whole or in part, if the proposed rule is alleged to violate any
14 of the criteria prescribed in subsection D of this section and if the
15 early petition is filed by a person who would be adversely impacted by the
16 proposed rule. The council may determine whether the proposed rule, in
17 whole or in part, violates any of the criteria prescribed in subsection D
18 of this section.

19 C. Within one hundred twenty days after receipt of the rule,
20 preamble and economic, small business and consumer impact statement, the
21 council shall review and approve or return, in whole or in part, the rule,
22 preamble or economic, small business and consumer impact statement. An
23 agency may resubmit a rule, preamble or economic, small business and
24 consumer impact statement if the council returns the rule, [PREAMBLE OR]
25 economic, small business and consumer impact statement [or preamble], in
26 whole or in part, to the agency.

27 D. The council shall not approve the rule unless:

28 1. The economic, small business and consumer impact statement
29 contains information from the state, data and analysis prescribed by this
30 article.

31 2. The economic, small business and consumer impact statement is
32 generally accurate.

33 3. The probable benefits of the rule outweigh within this state the
34 probable costs of the rule and the agency has demonstrated that it has
35 selected the alternative that imposes the least burden and costs to
36 persons regulated by the rule, including paperwork and other compliance
37 costs, necessary to achieve the underlying regulatory objective.

38 4. The rule is written in a manner that is clear, concise and
39 understandable to the general public.

40 5. The rule is not illegal, inconsistent with legislative intent or
41 beyond the agency's statutory authority and meets the requirements
42 prescribed in section 41-1030.

43 6. The agency adequately addressed, in writing, the comments on the
44 proposed rule and any supplemental proposals.

45 7. The rule is not a substantial change, considered as a whole,
46 from the proposed rule and any supplemental notices.

1 8. The preamble discloses a reference to any study relevant to the
2 rule that the agency reviewed and either did or did not rely on in the
3 agency's evaluation of or justification for the rule.

4 9. The rule is not more stringent than a corresponding federal law
5 unless there is statutory authority to exceed the requirements of that
6 federal law.

7 10. If a rule requires a permit, the permitting requirement
8 complies with section 41-1037.

9 E. The council shall verify that a rule with new fees does not
10 violate section 41-1008. The council shall not approve a rule that
11 contains a fee increase unless two-thirds of the voting quorum present
12 votes to approve the rule.

13 F. The council shall verify that a rule with an immediate effective
14 date complies with section 41-1032. The council shall not approve a rule
15 with an immediate effective date unless two-thirds of the voting quorum
16 present votes to approve the rule. [THE COUNCIL MAY NOT VOTE TO APPROVE A
17 RULE DURING A STUDY SESSION MEETING AND MAY ONLY VOTE TO APPROVE A RULE AT
18 A COUNCIL MEETING FOLLOWING EACH STUDY SESSION MEETING.]

19 G. If the rule relies on scientific principles or methods,
20 including a study disclosed pursuant to subsection D, paragraph 8 of this
21 section, and a person submits an analysis to the council questioning
22 whether the rule is based on valid scientific or reliable principles or
23 methods, the council shall not approve the rule unless the council
24 determines that the rule is based on valid scientific or reliable
25 principles or methods that are specific and not of a general nature. In
26 making a determination of reliability or validity, the council shall
27 consider the following factors as applicable to the rule:

28 1. The authors of the study, principle or method have subject
29 matter knowledge, skill, experience, training and expertise.

30 2. The study, principle or method is based on sufficient facts or
31 data.

32 3. The study is the product of reliable principles and methods.

33 4. The study and its conclusions, principles or methods have been
34 tested or subjected to peer reviewed publications.

35 5. The known or potential error rate of the study, principle or
36 method has been identified along with its basis.

37 6. The methodology and approach of the study, principle or method
38 are generally accepted in the scientific community.

39 H. The council may require a representative of an agency whose rule
40 is under examination to attend a council meeting and answer
41 questions. The council may also communicate to the agency its comments on
42 any rule, preamble or economic, small business and consumer impact
43 statement and require the agency to respond to its comments in writing.

44 [I. FOR ALL COUNCIL MEETINGS THAT ARE OPEN TO THE PUBLIC FOR
45 COMMENT, THE COUNCIL SHALL ALLOT AN EQUAL AMOUNT OF TIME TO {{THE AGENCY
46 AND}} INDIVIDUALS WHO SUPPORT OR OPPOSE A RULE.]

1 ~~[F.]~~ [J.] At any time during the thirty days immediately following
2 receipt of the rule, a person may submit written comments to the council
3 that are within the scope of subsection D, E, F or G of this section. The
4 council may allow testimony at a council meeting within the scope of
5 subsection D, E, F or G of this section.

6 ~~[J.]~~ [K.] If the agency makes a good faith effort to comply with
7 the requirements prescribed in this article and has explained in writing
8 the methodology used to produce the economic, small business and consumer
9 impact statement, the rule may not be invalidated after it is finalized on
10 the ground that the contents of the economic, small business and consumer
11 impact statement are insufficient or inaccurate or on the ground that the
12 council erroneously approved the rule, except as provided by section
13 41-1056.01.

14 ~~[K.]~~ [L.] The absence of comments pursuant to subsection D, E, F
15 or G of this section or article 4.1 of this chapter does not prevent the
16 council from acting pursuant to this section.

17 ~~[L.]~~ [M.] The council shall review and approve or reject a notice
18 of proposed expedited rulemaking pursuant to section 41-1027.

19 ~~[M.]~~ [N.] An agency that seeks to expire a rule or rules may file
20 a notice of intent to expire with the council. The notice shall describe
21 the rule or rules to be expired and the reasons for expiration. The
22 council shall place the notice on the agenda for the next scheduled
23 council meeting for consideration. If a quorum of the council approves
24 the notice, the council shall cause a notice of rule expiration to be
25 prepared and provide the notice of rule expiration to the agency for
26 filing with the secretary of state.

27 [O. FOR THE PURPOSES OF THIS SECTION, "STUDY SESSION MEETING" MEANS
28 A PUBLIC MEETING WHERE COUNCIL MEMBERS MEET WITH AGENCY REPRESENTATIVES,
29 THE PUBLIC AND COUNCIL STAFF TO DISCUSS PROPOSED RULES AND REVIEW
30 REPORTS.]>>

31 Sec. 4. Repeal

32 Section 41-3025.05, Arizona Revised Statutes, is repealed.

33 Sec. 5. Title 41, chapter 27, article 2, Arizona Revised Statutes,
34 is amended by adding section ~~[41-3029.15]~~ [41-3027.09], to read:

35 ~~[41-3029.15.]~~ [41-3027.09.] Governor's regulatory review
36 council; termination July 1, 2027

37 A. THE GOVERNOR'S REGULATORY REVIEW COUNCIL TERMINATES ON JULY 1,
38 [2029] [2027].

39 B. TITLE 41, CHAPTER 6, ARTICLE 5 AND THIS SECTION ARE REPEALED ON
40 JANUARY 1, [2030] [2028].

41 Sec. 6. Purpose

42 Pursuant to section 41-2955, subsection B, Arizona Revised Statutes,
43 the legislature continues the governor's regulatory review council to
44 review and approve or reject rules, preambles, economic, small business
45 and consumer impact statements and summary rule packages that are
46 submitted by agencies.

1 <<Sec. 7. Retention of members
2 {{Notwithstanding section 41-1051, Arizona Revised Statutes, as
3 amended by this act, all persons serving as members of the governor's
4 regulatory review council on the effective date of this act may continue
5 to serve until the expiration of their normal terms. The member appointed
6 by the president of the senate shall be appointed first, the member
7 appointed by the speaker of the house of representatives shall be
8 appointed second, the member appointed jointly by the president of the
9 senate and the speaker of the house of representatives shall be appointed
10 third, the member appointed by the governor from a list submitted by the
11 president of the senate and the speaker of the house of representatives
12 shall be appointed fourth and the members appointed by the governor
13 pursuant to section 38-211, Arizona revised statutes, shall be appointed
14 fifth. All subsequent appointments shall be as prescribed by statute.}}>>
15 Sec. 8. Retroactivity
16 Sections [~~1~~] [4] and [~~2~~] [5] of this act apply retroactively to
17 from and after July 1, 2025.

18 Enroll and engross to conform
19 Amend title to conform

WALT BLACKMAN

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