

HOUSE FLOOR AMENDMENT EXPLANATION



Bill Number: **HB 2594**

Blackman Floor Amendment

-
- Clarifies that the Director or Deputy Director of the Arizona Department of Administration, as the Chairperson of the Governor's Regulatory Review Council, is a voting member.

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3/6/2025

ADDITIONAL COW
BLACKMAN FLOOR AMENDMENT
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2594
(Reference to House engrossed bill)

Amendment instruction key:

[GREEN UNDERLINING IN BRACKETS] indicates text added to statute or previously enacted session law.
[Green underlining in brackets] indicates text added to new session law or text restoring existing law.
~~[GREEN STRIKEOUT IN BRACKETS]~~ indicates new text removed from statute or previously enacted session law.
~~[Green strikeout in brackets]~~ indicates text removed from existing statute, previously enacted session law or new session law.
<<Green carets>> indicate a section added to the bill.
~~<<Green strikeout in carets>>~~ indicates a section removed 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 to
3 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.

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

18 1. Reject the petition and state its reasons in writing for
19 rejection to the petitioner.

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

21 3. If otherwise lawful, make a rule.

22 D. The agency's response to the petition is open to public
23 inspection.

24 E. If an agency rejects a petition pursuant to subsection C of this
25 section, the petitioner has thirty days to appeal to the council to review
26 whether the existing agency practice or substantive policy statement

1 constitutes a rule. The petitioner's appeal may not be more than five
2 double-spaced pages.

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

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

21 H. If the council receives information that alleges an existing
22 agency practice or substantive policy statement may constitute a rule,
23 that a final rule does not meet the requirements prescribed in section
24 41-1030 or that an existing agency practice, substantive policy statement,
25 final rule or regulatory licensing requirement exceeds the agency's
26 statutory authority, is not specifically authorized by statute or does not
27 meet the guidelines prescribed in subsection G of this section, or if the
28 council receives an appeal under subsection E of this section, and at
29 least three council members request of the chairperson that the matter
30 shall be heard in a public meeting:

31 1. Within ninety days after receiving the third council member's
32 request, the council shall determine whether any of the following applies:

33 (a) The agency practice or substantive policy statement constitutes
34 a rule.

35 (b) The final rule meets the requirements prescribed in section
36 41-1030.

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

41 2. Within ten days after receiving the third council member's
42 request, the council shall notify the agency that the matter has been or
43 will be placed on the council's agenda for consideration on the merits.

44 3. Not later than thirty days after receiving notice from the
45 council, the agency shall submit a statement of not more than five
46 double-spaced pages to the council that addresses whether any of the
47 following applies:

1 (a) The existing agency practice or substantive policy statement
2 constitutes 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 the guidelines prescribed in subsection G of this section.

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

14 J. For the purposes of subsection H of this section, the council
15 meeting shall not be scheduled until the expiration of the agency response
16 period prescribed in subsection H, paragraph 3 of this section.

17 K. An agency practice, substantive policy statement, final rule or
18 regulatory licensing requirement considered by the council pursuant to
19 this section shall remain in effect while under consideration of the
20 council. If the council determines that the agency practice, substantive
21 policy statement or regulatory licensing requirement exceeds the agency's
22 statutory authority, is not authorized by statute or constitutes a rule or
23 that the final rule does not meet the requirements prescribed in section
24 41-1030, the practice, policy statement, rule or regulatory licensing
25 requirement shall be void. If the council determines that the existing
26 agency practice, substantive policy statement, final rule or regulatory
27 licensing requirement is unduly burdensome or is not demonstrated to be
28 necessary to specifically fulfill a public health, safety or welfare
29 concern, the council shall modify, revise or declare void any such
30 existing agency practice, substantive policy statement, final rule or
31 regulatory licensing requirement. If an agency decides to further pursue
32 a practice, substantive policy statement or regulatory licensing
33 requirement that has been declared void or has been modified or revised by
34 the council, the agency may do so only pursuant to a new rulemaking.

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

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

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

8 Sec. 2. Section 41-1051, Arizona Revised Statutes, is amended to
9 read:

10 41-1051. Governor's regulatory review council; membership;
11 terms; compensation; powers

12 ~~A. The governor's regulatory review council is established~~
13 ~~consisting of six members who are appointed by the governor pursuant to~~
14 ~~section 38-211 and who are subject to sections 38-291 and 38-295 and the~~
15 ~~director of the department of administration or the assistant director of~~
16 ~~the department of administration who is responsible for administering the~~
17 ~~council. The director or assistant director is an ex officio member and~~
18 ~~chairperson of the council. The council shall elect a vice chairperson to~~
19 ~~serve as chairperson in the chairperson's absence. The governor shall~~
20 ~~appoint at least one member who represents the public interest, at least~~
21 ~~one member who represents the business community, at least one member who~~
22 ~~is a small business owner, one member from a list of three persons who are~~
23 ~~not legislators submitted by the president of the senate and one member~~
24 ~~from a list of three persons who are not legislators submitted by the~~
25 ~~speaker of the house of representatives. At least one member of the~~
26 ~~council shall be an attorney licensed to practice law in this state. The~~
27 ~~governor shall appoint the members of the council for staggered terms of~~
28 ~~three years. A vacancy occurring during the term of office of any member~~
29 ~~shall be filled by appointment by the governor for the unexpired portion~~
30 ~~of the term in the same manner as provided in this section.~~

31 A. THE GOVERNOR'S REGULATORY REVIEW COUNCIL IS ESTABLISHED
32 CONSISTING OF THE FOLLOWING MEMBERS:

33 1. THE DIRECTOR OF THE DEPARTMENT OF ADMINISTRATION OR THE
34 ASSISTANT DIRECTOR OF THE DEPARTMENT OF ADMINISTRATION WHO IS RESPONSIBLE
35 FOR ADMINISTERING THE COUNCIL. THE ASSISTANT DIRECTOR MAY NOT BE THE
36 GENERAL COUNSEL OF THE DEPARTMENT OF ADMINISTRATION. THE DIRECTOR OR
37 ASSISTANT DIRECTOR IS ~~[AN ADVISORY MEMBER AND]~~ [THE] CHAIRPERSON OF THE
38 COUNCIL AND SHALL OVERSEE THE LEGAL AND ECONOMIC ANALYSIS OF ANY RULES
39 RECEIVED BY THE COUNCIL.

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

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

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

46 5. ONE MEMBER WHO IS APPOINTED BY THE SPEAKER OF THE HOUSE OF
47 REPRESENTATIVES.

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

3 B. MEMBERS OF THE COUNCIL WHO ARE APPOINTED PURSUANT TO SUBSECTION
4 A OF THIS SECTION SHALL BE APPOINTED FOR STAGGERED TERMS OF THREE YEARS
5 AND MAY BE REAPPOINTED. THE COUNCIL SHALL ELECT A VICE CHAIRPERSON TO
6 SERVE AS CHAIRPERSON IN THE CHAIRPERSON'S ABSENCE. A VACANCY OCCURRING
7 DURING THE TERM OF OFFICE OF ANY MEMBER SHALL BE FILLED FOR THE UNEXPIRED
8 PORTION OF THE TERM IN THE SAME MANNER AS THE INITIAL APPOINTMENT.

9 ~~B.~~ C. The council shall meet at least once a month at a time and
10 place set by the chairperson and at other times and places as the
11 chairperson deems necessary.

12 ~~C.~~ D. Members of the council are eligible to receive compensation
13 in an amount of ~~two hundred dollars~~ \$200 for each day on which the council
14 meets and reimbursement of expenses pursuant to title 38, chapter 4,
15 article 2.

16 ~~D.~~ E. The chairperson, subject to chapter 4, article 4 and, as
17 applicable, articles 5 and 6 of this title, shall employ, determine the
18 conditions of employment of and specify the duties of administrative,
19 secretarial and clerical employees as the chairperson deems necessary.

20 ~~E.~~ F. The council may make rules pursuant to this chapter to carry
21 out the purposes of this chapter.

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

26 H. COUNCIL STAFF SHALL DO BOTH OF THE FOLLOWING:

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

30 2. DISTRIBUTE ALL COUNCIL MEETING MATERIALS TO THE PRESIDENT OF THE
31 SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AT THE SAME TIME
32 THE MATERIALS ARE DISTRIBUTED TO THE MEMBERS OF THE COUNCIL.

33 Sec. 3. Section 41-1052, Arizona Revised Statutes, is amended to
34 read:

35 41-1052. Council review and approval; rule expiration;
36 definition

37 A. Before filing a final rule subject to this section with the
38 secretary of state, an agency shall prepare, transmit to the council and
39 the committee and obtain the council's approval of the rule and its
40 preamble and economic, small business and consumer impact statement that
41 meets the requirements of section 41-1055. The office of economic
42 opportunity shall prepare the economic, small business and consumer impact
43 statement.

44 B. The council shall accept an early review petition of a proposed
45 rule, in whole or in part, if the proposed rule is alleged to violate any
46 of the criteria prescribed in subsection D of this section and if the
47 early petition is filed by a person who would be adversely impacted by the

1 proposed rule. The council may determine whether the proposed rule, in
2 whole or in part, violates any of the criteria prescribed in subsection D
3 of this section.

4 C. Within one hundred twenty days after receipt of the rule,
5 preamble and economic, small business and consumer impact statement, the
6 council shall review and approve or return, in whole or in part, the rule,
7 preamble or economic, small business and consumer impact statement. An
8 agency may resubmit a rule, preamble or economic, small business and
9 consumer impact statement if the council returns the rule, **PREAMBLE OR**
10 economic, small business and consumer impact statement ~~or preamble~~, in
11 whole or in part, to the agency.

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

13 1. The economic, small business and consumer impact statement
14 contains information from the state, data and analysis prescribed by this
15 article.

16 2. The economic, small business and consumer impact statement is
17 generally accurate.

18 3. The probable benefits of the rule outweigh within this state the
19 probable costs of the rule and the agency has demonstrated that it has
20 selected the alternative that imposes the least burden and costs to
21 persons regulated by the rule, including paperwork and other compliance
22 costs, necessary to achieve the underlying regulatory objective.

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

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

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

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

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

35 9. The rule is not more stringent than a corresponding federal law
36 unless there is statutory authority to exceed the requirements of that
37 federal law.

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

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

44 F. The council shall verify that a rule with an immediate effective
45 date complies with section 41-1032. The council shall not approve a rule
46 with an immediate effective date unless two-thirds of the voting quorum
47 present votes to approve the rule. **THE COUNCIL MAY NOT VOTE TO APPROVE A**

1 RULE DURING A STUDY SESSION MEETING AND MAY ONLY VOTE TO APPROVE A RULE AT
2 A COUNCIL MEETING FOLLOWING EACH STUDY SESSION MEETING.

3 G. If the rule relies on scientific principles or methods,
4 including a study disclosed pursuant to subsection D, paragraph 8 of this
5 section, and a person submits an analysis to the council questioning
6 whether the rule is based on valid scientific or reliable principles or
7 methods, the council shall not approve the rule unless the council
8 determines that the rule is based on valid scientific or reliable
9 principles or methods that are specific and not of a general nature. In
10 making a determination of reliability or validity, the council shall
11 consider the following factors as applicable to the rule:

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

14 2. The study, principle or method is based on sufficient facts or
15 data.

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

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

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

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

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

28 I. FOR ALL COUNCIL MEETINGS THAT ARE OPEN TO THE PUBLIC FOR
29 COMMENT, THE COUNCIL SHALL ALLOT AN EQUAL AMOUNT OF TIME TO THE AGENCY AND
30 INDIVIDUALS WHO SUPPORT OR OPPOSE A RULE.

31 ~~J.~~ J. At any time during the thirty days immediately following
32 receipt of the rule, a person may submit written comments to the council
33 that are within the scope of subsection D, E, F or G of this section. The
34 council may allow testimony at a council meeting within the scope of
35 subsection D, E, F or G of this section.

36 ~~K.~~ K. If the agency makes a good faith effort to comply with the
37 requirements prescribed in this article and has explained in writing the
38 methodology used to produce the economic, small business and consumer
39 impact statement, the rule may not be invalidated after it is finalized on
40 the ground that the contents of the economic, small business and consumer
41 impact statement are insufficient or inaccurate or on the ground that the
42 council erroneously approved the rule, except as provided by section
43 41-1056.01.

44 ~~L.~~ L. The absence of comments pursuant to subsection D, E, F or G
45 of this section or article 4.1 of this chapter does not prevent the
46 council from acting pursuant to this section.

1 ~~M.~~ M. The council shall review and approve or reject a notice of
2 proposed expedited rulemaking pursuant to section 41-1027.

3 ~~M.~~ N. An agency that seeks to expire a rule or rules may file a
4 notice of intent to expire with the council. The notice shall describe
5 the rule or rules to be expired and the reasons for expiration. The
6 council shall place the notice on the agenda for the next scheduled
7 council meeting for consideration. If a quorum of the council approves
8 the notice, the council shall cause a notice of rule expiration to be
9 prepared and provide the notice of rule expiration to the agency for
10 filing with the secretary of state.

11 O. FOR THE PURPOSES OF THIS SECTION, "STUDY SESSION MEETING" MEANS
12 A PUBLIC MEETING WHERE COUNCIL MEMBERS MEET WITH AGENCY REPRESENTATIVES,
13 THE PUBLIC AND COUNCIL STAFF TO DISCUSS PROPOSED RULES AND REVIEW REPORTS.

14 Sec. 4. Repeal

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

16 Sec. 5. Title 41, chapter 27, article 2, Arizona Revised Statutes,
17 is amended by adding section 41-3027.09, to read:

18 41-3027.09. Governor's regulatory review council; termination
19 July 1, 2027

20 A. THE GOVERNOR'S REGULATORY REVIEW COUNCIL TERMINATES ON JULY 1,
21 2027.

22 B. TITLE 41, CHAPTER 6, ARTICLE 5 AND THIS SECTION ARE REPEALED ON
23 JANUARY 1, 2028.

24 Sec. 6. Purpose

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

30 Sec. 7. Retention of members

31 Notwithstanding section 41-1051, Arizona Revised Statutes, as
32 amended by this act, all persons serving as members of the governor's
33 regulatory review council on the effective date of this act may continue
34 to serve until the expiration of their normal terms. The member appointed
35 by the president of the senate shall be appointed first, the member
36 appointed by the speaker of the house of representatives shall be
37 appointed second, the member appointed jointly by the president of the
38 senate and the speaker of the house of representatives shall be appointed
39 third, the member appointed by the governor from a list submitted by the
40 president of the senate and the speaker of the house of representatives
41 shall be appointed fourth and the members appointed by the governor
42 pursuant to section 38-211, Arizona Revised Statutes, shall be appointed
43 fifth. All subsequent appointments shall be as prescribed by statute.

44 Sec. 8. Retroactivity

45 Sections 4 and 5 of this act apply retroactively to from and after
46 July 1, 2025.

House Amendments to H.B. 2594

- 1 Enroll and engross to conform
- 2 Amend title to conform

WALT BLACKMAN

2594FloorBLACKMAN

03/05/2025

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H: JH/lis