

Stephanie Gricius proposes the following substitute bill:

Administrative Rules Process and Reauthorization

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Stephanie Gricius

Senate Sponsor: Daniel McCay

LONG TITLE

General Description:

This bill addresses administrative rules process and reauthorizes administrative rules.

Highlighted Provisions:

This bill:

▸ allows the Rules Review and General Oversight Committee to delay the effective date of a proposed administrative rule; and

▸ reauthorizes administrative rules.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Uncodified Material Affected:

ENACTS UNCODIFIED MATERIAL:

Utah Code Sections Affected:

AMENDS:

63G-3-301, as last amended by Laws of Utah 2024, Chapter 178

ENACTS:

63G-3-304.1, Utah Code Annotated 1953

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **63G-3-301** is amended to read:

63G-3-301 . Rulemaking procedure.

(1) An agency authorized to make rules is also authorized to amend or repeal those rules.

(2) Except as provided in Sections 63G-3-303 and 63G-3-304, when making, amending, or repealing a rule agencies shall comply with:

(a) the requirements of this section;

- 30 (b) consistent procedures required by other statutes;
- 31 (c) applicable federal mandates; and
- 32 (d) rules made by the office to implement this chapter.
- 33 (3) Subject to the requirements of this chapter, each agency shall develop and use flexible
- 34 approaches in drafting rules that meet the needs of the agency and that involve persons
- 35 affected by the agency's rules.
- 36 (4)(a) Each agency shall file the agency's proposed rule and rule analysis with the office.
- 37 (b) Rule amendments shall be marked with new language underlined and deleted
- 38 language struck out.
- 39 (c)(i) The office shall publish the information required under Subsection (8) on the
- 40 rule analysis and the text of the proposed rule in the next issue of the bulletin.
- 41 (ii) For rule amendments, only the section or subsection of the rule being amended
- 42 need be printed.
- 43 (iii) If the director determines that the rule is too long to publish, the office shall
- 44 publish the rule analysis and shall publish the rule by reference to a copy on file
- 45 with the office.
- 46 (5) Before filing a rule with the office, the agency shall conduct a thorough analysis,
- 47 consistent with the criteria established by the Governor's Office of Planning and Budget,
- 48 of the fiscal impact a rule may have on businesses, which criteria may include:
- 49 (a) the type of industries that will be impacted by the rule, and for each identified
- 50 industry, an estimate of the total number of businesses within the industry, and an
- 51 estimate of the number of those businesses that are small businesses;
- 52 (b) the individual fiscal impact that would incur to a typical business for a one-year
- 53 period;
- 54 (c) the aggregated total fiscal impact that would incur to all businesses within the state
- 55 for a one-year period;
- 56 (d) the total cost that would incur to all impacted entities over a five-year period; and
- 57 (e) the department head's comments on the analysis.
- 58 (6) If the agency reasonably expects that a proposed rule will have a measurable negative
- 59 fiscal impact on small businesses, the agency shall consider, as allowed by federal law,
- 60 each of the following methods of reducing the impact of the rule on small businesses:
- 61 (a) establishing less stringent compliance or reporting requirements for small businesses;
- 62 (b) establishing less stringent schedules or deadlines for compliance or reporting
- 63 requirements for small businesses;

- 64 (c) consolidating or simplifying compliance or reporting requirements for small
65 businesses;
- 66 (d) establishing performance standards for small businesses to replace design or
67 operational standards required in the proposed rule; and
- 68 (e) exempting small businesses from all or any part of the requirements contained in the
69 proposed rule.
- 70 (7) If during the public comment period an agency receives comment that the proposed rule
71 will cost small business more than one day's annual average gross receipts, and the
72 agency had not previously performed the analysis in Subsection (6), the agency shall
73 perform the analysis described in Subsection (6).
- 74 (8) The rule analysis shall contain:
- 75 (a) a summary of the rule or change;
- 76 (b) the purpose of the rule or reason for the change;
- 77 (c) the statutory authority or federal requirement for the rule;
- 78 (d) the anticipated cost or savings to:
- 79 (i) the state budget;
- 80 (ii) local governments;
- 81 (iii) small businesses; and
- 82 (iv) persons other than small businesses, businesses, or local governmental entities;
- 83 (e) the compliance cost for affected persons;
- 84 (f) how interested persons may review the full text of the rule;
- 85 (g) how interested persons may present their views on the rule;
- 86 (h) the time and place of any scheduled public hearing;
- 87 (i) the name and telephone number of an agency employee who may be contacted about
88 the rule;
- 89 (j) the name of the agency head or designee who authorized the rule;
- 90 (k) the date on which the rule may become effective following the public comment
91 period;
- 92 (l) the agency's analysis on the fiscal impact of the rule as required under Subsection (5);
- 93 (m) any additional comments the department head may choose to submit regarding the
94 fiscal impact the rule may have on businesses; and
- 95 (n) if applicable, a summary of the agency's efforts to comply with the requirements of
96 Subsection (6).
- 97 (9)(a) For a rule being repealed and reenacted, the rule analysis shall contain a summary

98 that generally includes the following:

99 (i) a summary of substantive provisions in the repealed rule which are eliminated
100 from the enacted rule; and

101 (ii) a summary of new substantive provisions appearing only in the enacted rule.

102 (b) The summary required under this Subsection (9) is to aid in review and may not be
103 used to contest any rule on the ground of noncompliance with the procedural
104 requirements of this chapter.

105 (10) A copy of the rule analysis shall be mailed to all persons who have made timely
106 request of the agency for advance notice of the agency's rulemaking proceedings and to
107 any other person who, by statutory or federal mandate or in the judgment of the agency,
108 should also receive notice.

109 (11)(a) Following the publication date, the agency shall allow at least 30 days for public
110 comment on the rule.

111 (b) The agency shall review and evaluate all public comments submitted in writing
112 within the time period under Subsection (11)(a) or presented at public hearings
113 conducted by the agency within the time period under Subsection (11)(a).

114 (12)(a) Except as provided in Sections 63G-3-303, [and] 63G-3-304, and 63G-3-304.1, a
115 proposed rule becomes effective on any date specified by the agency that is:

116 (i) no fewer than seven calendar days after the day on which the public comment
117 period closes under Subsection (11); and

118 (ii) no more than 120 days after the day on which the rule is published.

119 (b) The agency shall provide notice of the rule's effective date to the office in the form
120 required by the office.

121 (c) The notice of effective date may not provide for an effective date before the day on
122 which the office receives the notice.

123 (d) The office shall publish notice of the effective date of the rule in the next issue of the
124 bulletin.

125 (e) A proposed rule lapses if a notice of effective date or a change to a proposed rule is
126 not filed with the office within 120 days after the day on which the rule is published.

127 (13)(a) Except as provided in Subsection (13)(d), before an agency enacts a rule, the
128 agency shall submit to the appropriations subcommittee and interim committee with
129 jurisdiction over the agency the agency's proposed rule for review, if the proposed
130 rule, over a three-year period, has a fiscal impact of more than:

131 (i) \$250,000 to a single person; or

- 132 (ii) \$7,500,000 to a group of persons.
- 133 (b) An appropriations subcommittee or interim committee that reviews a rule submitted
134 under Subsection (13)(a) shall:
- 135 (i) before the review, directly inform the chairs of the Rules Review and General
136 Oversight Committee of the coming review, including the date, time, and place of
137 the review; and
- 138 (ii) after the review, directly inform the chairs of the Rules Review and General
139 Oversight Committee of the outcome of the review, including any
140 recommendation.
- 141 (c) An appropriations subcommittee or interim committee that reviews a rule submitted
142 under Subsection (13)(a) may recommend to the Rules Review and General
143 Oversight Committee that the Rules Review and General Oversight Committee not
144 recommend reauthorization of the rule in the legislation described in Section
145 63G-3-502.
- 146 (d) The requirement described in Subsection (13)(a) does not apply to:
- 147 (i) the State Tax Commission; or
148 (ii) the State Board of Education.
- 149 (14)(a) As used in this Subsection (14), "initiate rulemaking proceedings" means the
150 filing, for the purposes of publication in accordance with Subsection (4), of an
151 agency's proposed rule that is required by state statute.
- 152 (b) A state agency shall initiate rulemaking proceedings no later than 180 days after the
153 day on which the statutory provision that specifically requires the rulemaking takes
154 effect, except under Subsection (14)(c).
- 155 (c) When a statute is enacted that requires agency rulemaking and the affected agency
156 already has rules in place that meet the statutory requirement, the agency shall submit
157 the rules to the Rules Review and General Oversight Committee for review within 60
158 days after the day on which the statute requiring the rulemaking takes effect.
- 159 (d) If a state agency does not initiate rulemaking proceedings in accordance with the
160 time requirements in Subsection (14)(b), the state agency shall appear before the
161 legislative Rules Review and General Oversight Committee and provide the reasons
162 for the delay.

163 Section 2. Section **63G-3-304.1** is enacted to read:

164 **63G-3-304.1 . Delaying the effective date of a proposed rule.**

- 165 (1) Upon a majority vote of the members of the committee, the Rules Review and General

166 Oversight Committee may delay the effective date of any proposed rule to May 15 of the
167 calendar year following the day the vote is taken.

168 (2) The Rules Review and General Oversight Committee may choose to delay the effective
169 date of an entire proposed rule, a single section, or any complete paragraph of a rule.

170 (3) The Rules Review and General Oversight Committee shall notify the agency proposing
171 the rule and the office of the delay of the effective date.

172 (4) An agency's proposed rule's effective date may not be delayed if:

173 (a) the rule is explicitly mandated by a federal law or regulation;

174 (b) a provision of Utah's constitution vests the agency with specific constitutional
175 authority to regulate; or

176 (c) the rule is an emergency rule filed under Section 63G-3-304.

177 (5) The office shall make rules in accordance with this chapter to determine how to
178 bifurcate a rule that has had a section or paragraph's effective date delayed under this
179 section.

180 **Section 3. Rules reauthorization.**

181 All rules of Utah state agencies are reauthorized.

182 **Section 4. Effective Date.**

183 This bill takes effect:

184 (1) except as provided in Subsection (2), May 7, 2025; or

185 (2) if approved by two-thirds of all the members elected to each house, the later of:

186 (a) May 1, 2025; or

187 (b)(i) upon approval by the governor;

188 (ii) without the governor's approval, the day following the constitutional time limit of
189 Utah Constitution, Article VII, Section 8; or

190 (iii) with the governor's veto and a vote of the Legislature to override the veto, the
191 date of veto override.