

D R A F T  
FOR DISCUSSION ONLY

# REVISED MODEL STATE ADMINISTRATIVE PROCEDURE ACT

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NATIONAL CONFERENCE OF COMMISSIONERS  
ON UNIFORM STATE LAWS

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[Draft after style committee review in January, 2008](#)~~[For November 9-11, 2007 Drafting  
Committee Meeting](#)~~

*WITH PREFATORY NOTE AND COMMENTS*

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October 26, 2007

## **DRAFTING COMMITTEE TO REVISE MODEL STATE ADMINISTRATIVE PROCEDURE ACT**

The Committee appointed by and representing the National Conference of Commissioners on Uniform State Laws in revising this Act consists of the following individuals:

FRANCIS J. PAVETTI, 18 The Strand, Goshen Point, Waterford, CT 06385, *Chair*  
JERRY L. BASSETT, Legislative Reference Service, 613 Alabama State House, 11 S. Union St.,  
Montgomery, AL 36130  
STEPHEN C. CAWOOD, 108 Kentucky Ave., P.O. Drawer 128, Pineville, KY 40977-0128  
KENNETH D. DEAN, University of Missouri-Columbia School of Law, 116 Jesse Hall,  
Columbia, MO 65211  
BRIAN K. FLOWERS, Council of the District of Columbia, 1350 Pennsylvania Ave. NW, Suite  
4, Washington, DC 20004  
JOHN L. GEDID, Widener Law School, 3800 Vartan Way, P.O. Box 69382, Harrisburg, PA  
17106-9382  
H. LANE KNEEDLER, 901 E. Byrd St., Suite 1700, Richmond, VA 23219  
RAYMOND P. PEPE, 17 N. Second St., 18th Floor, Harrisburg, PA 17101-1507  
ROBERT J. TENNESSEN, 80 S. 8th St., 500 IDS Center, Minneapolis, MN 55402-3796  
GREGORY L. OGDEN, Pepperdine University, School of Law, 24255 Pacific Coast Highway,  
Malibu, CA 90263, *Reporter*

### **EX OFFICIO**

MARTHA LEE WALTERS, Oregon Supreme Court, 1163 State St., Salem, OR 97301-2563,  
*President*  
WILLIAM R. BREETZ, JR., Connecticut Urban Legal Initiative, 35 Elizabeth St., Rm K-202,  
Hartford, CT 06105, *Division Chair*

### **AMERICAN BAR ASSOCIATION ADVISOR**

RONALD M. LEVIN, Washington University School of Law, Campus Box 1120, 1 Brookings  
Drive, St. Louis, MO 63130-4862, *ABA Advisor*  
ROSE MARY BAILLY, 80 New Scotland Rd., Albany, NY 12208-3434, *ABA Section Advisor*  
LARRY CRADDOCK, 2601 N Lamar Blvd., Austin, TX 78705-4260, *ABA Section Advisor*  
EDWIN L. FELTER, JR., 633 17th St., Suite 1300, Denver, CO 80202, *ABA Section Advisor*  
EDWARD J. SCHOENBAUM, 1108 S. Grand Ave. W., Springfield, IL 62704-3553, *ABA  
Section Advisor*

### **EXECUTIVE DIRECTOR**

JOHN A. SEBERT, 211 E. Ontario St., Suite 1300, Chicago, IL 60611, *Executive Director*

Copies of this Act may be obtained from:  
NATIONAL CONFERENCE OF COMMISSIONERS  
ON UNIFORM STATE LAWS  
211 E. Ontario Street, Suite 1300  
Chicago, Illinois 60611  
312/915-0195  
[www.nccusl.org](http://www.nccusl.org)

# REVISED MODEL STATE ADMINISTRATIVE PROCEDURE ACT

## TABLE OF CONTENTS

Prefatory Note .....	1
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### [ARTICLE] 1

#### GENERAL PROVISIONS

SECTION 101. SHORT TITLE.....	4
SECTION 102. DEFINITIONS .....	4
SECTION 103. APPLICABILITY .....	11

### [ARTICLE 2]

#### PUBLIC ACCESS TO AGENCY LAW AND POLICY

SECTION 201. PUBLICATION, COMPILATION, INDEXING, AND PUBLIC INSPECTION OF RULES.....	12
SECTION 202. REQUIRED AGENCY RULEMAKING AND RECORDKEEPING .....	16
SECTION 203. DECLARATORY ORDER .....	17
[SECTION 204. DEFAULT PROCEDURAL RULES .....	19

### [ARTICLE] 3

#### RULEMAKING; ADOPTION AND EFFECTIVENESS OF RULES

SECTION 301. CURRENT RULEMAKING DOCKET .....	21
SECTION 302. AGENCY RECORD IN RULEMAKING PROCEEDING.....	22
SECTION 303. ADVICE ON POSSIBLE RULE BEFORE NOTICE OF PROPOSED RULE ADOPTION.....	24
SECTION 304. NOTICE OF PROPOSED RULE ADOPTION .....	25
SECTION 305. REGULATORY ANALYSIS .....	26
SECTION 306. PUBLIC PARTICIPATION.....	28
SECTION 307. FINAL ADOPTION.....	29
SECTION 308. VARIANCE BETWEEN PROPOSED RULE AND ADOPTED RULE.....	30
SECTION 309. EMERGENCY RULES; EXPEDITED RULEMAKING.....	31
SECTION 310. GUIDANCE DOCUMENTS .....	33
SECTION 311. CONTENTS OF RULE .....	36
SECTION 312. CONCISE EXPLANATORY STATEMENT .....	36
SECTION 313. INCORPORATION BY REFERENCE.....	37
SECTION 314. COMPLIANCE AND TIME LIMITATION .....	38
SECTION 315. FILING OF RULES .....	39
SECTION 316. EFFECTIVE DATE OF RULES .....	39
SECTION 317. PETITION FOR ADOPTION OF RULE .....	40

## **[ARTICLE] 4**

### **ADJUDICATION IN A CONTESTED CASE**

SECTION 401. WHEN ARTICLE APPLIES; CONTESTED CASES .....	42
SECTION 402. PRESIDING OFFICERS. ....	43
SECTION 403. CONTESTED CASE PROCEDURE .....	46
SECTION 404. NOTICE .....	52
SECTION 405. INFORMAL ADJUDICATION IN CONTESTED CASES .....	54
SECTION 406. INFORMAL ADJUDICATION PROCEDURE .....	55
SECTION 407. AGENCY HEARING RECORD IN CONTESTED CASE .....	57
SECTION 408. EMERGENCY ADJUDICATION PROCEDURE .....	58
SECTION 409. EX PARTE COMMUNICATIONS .....	59
SECTION 410. ADMINISTRATIVE ADJUDICATION CODE OF ETHICS .....	62
SECTION 411. INTERVENTION .....	63
SECTION 412. SUBPOENAS .....	64
SECTION 413. DISCOVERY .....	65
SECTION 414. CONVERSION .....	67
SECTION 415. DEFAULT .....	67
SECTION 416. LICENSES .....	68
SECTION 417. ORDERS: FINAL AND RECOMMENDED .....	69
SECTION 418. AGENCY REVIEW OF RECOMMENDED DECISIONS .....	70
SECTION 419. RECONSIDERATION .....	73
SECTION 420. STAY .....	73
SECTION 421. AVAILABILITY OF ORDERS; INDEX .....	74

## **[ARTICLE 5]**

### **JUDICIAL REVIEW**

SECTION 501. RIGHT TO JUDICIAL REVIEW; FINAL AGENCY ACTION REVIEWABLE .....	76
SECTION 502. REVIEW OF AGENCY ACTION OTHER THAN ORDER .....	77
SECTION 503. RELATION TO OTHER JUDICIAL REVIEW LAW AND RULES .....	77
SECTION 504. TIME FOR SEEKING JUDICIAL REVIEW OF AGENCY ACTION, LIMITATIONS .....	78
SECTION 505. STAYS PENDING APPEAL .....	79
SECTION 506. STANDING .....	79
SECTION 507. EXHAUSTION OF ADMINISTRATIVE REMEDIES .....	80
SECTION 508. AGENCY RECORD ON JUDICIAL REVIEW; EXCEPTION .....	81
SECTION 509. SCOPE OF REVIEW .....	82

## **[ARTICLE] 6**

### **OFFICE OF ADMINISTRATIVE HEARINGS**

SECTION 601. CREATION OF OFFICE OF ADMINISTRATIVE HEARINGS .....	87
SECTION 602. DUTIES OF OFFICE .....	87
SECTION 603. APPOINTMENT OF CHIEF ADMINISTRATIVE LAW JUDGE .....	87
SECTION 604. POWERS AND DUTIES OF CHIEF ADMINISTRATIVE LAW JUDGE.....	88
SECTION 605. APPOINTMENT OF ADMINISTRATIVE LAW JUDGES.....	89
SECTION 606. POWERS OF ADMINISTRATIVE LAW JUDGES .....	90
SECTION 607. COOPERATION OF STATE AGENCIES .....	90
SECTION 608. DECISION-MAKING AUTHORITY OF ADMINISTRATIVE LAW JUDGES.....	90

## [[ARTICLE] 7

### RULES REVIEW

SECTION 701. LEGISLATIVE RULES REVIEW COMMITTEE.....	92
SECTION 702. [RULES REVIEW COMMITTEE] DUTIES .....	92
SECTION 703. [RULES REVIEW COMMITTEE] PROCEDURE AND POWERS.....	93

## [ARTICLE 8]

SECTION 801. EFFECTIVE DATE .....	98
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# REVISED MODEL STATE ADMINISTRATIVE PROCEDURE ACT

## Prefatory Note

### **The 1946 Model State Administrative Procedure Act**

The Model State Administrative Procedure Act (Act) of the National Conference of Commissioners on Uniform State Laws (Conference) has furnished guidance to the states since 1946, the date that the first version of the Act was promulgated and published. The Federal Administrative Procedure Act was drafted at about the same time as the 1946 Act, and there was substantial communication between the drafters of the two acts.

The 1946 Act incorporated basic principles with only enough elaboration of detail to support essential features<sup>1</sup> of an administrative procedure act. This is the major characteristic of a “model”, as distinguished from a “uniform”, act. The drafters of the 1946 Act explained that a model act approach was required because details of administrative procedure must vary from state to state as a result of different general histories, different histories of legislative enactment and different state constitutions. Furthermore, the drafters explained, the Act could only articulate general principles because 1) agencies--even within a single state--perform widely diverse tasks, so that no single detailed procedure is adequate for all their needs; and 2) the legislatures of different states have taken dissimilar approaches to virtually identical problems.<sup>2</sup> By about 1960, twelve states had adopted the 1946 Act.<sup>3</sup>

### **The 1961 Model State Administrative Procedure Act**

As a result of several studies conducted in the nineteen fifties, the Conference decided to revise the 1946 Act. The basis given for that decision was that a maturing of thought on administrative procedure had occurred since 1946. The drafters of the 1961 Act explained that their goals were fairness to the parties involved and creation of procedure that is effective from the standpoint of government.<sup>4</sup> The resulting 1961 Act also followed the model, not uniform, act approach, because “details must vary from state to state.” The 1961 APA purposely included only “basic principles” and “essential major features.” Some of those major principles were: requiring agency rulemaking for procedural rules; rulemaking procedure that provided for notice, public input and publication; judicial review of rules; guarantees of fundamental fairness in adjudications; and provision for judicial review of agency adjudication. Over one half of the

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<sup>1</sup> 1946 Model State Administrative Procedure Act preface at 200.

<sup>2</sup> Id. at 200

<sup>3</sup> Those states, as identified in the preface to the 1961 Model State Administrative Procedure Act were: North Dakota, Wisconsin, North Carolina, Ohio, Virginia, California, Illinois, Pennsylvania, Missouri, Indiana.

<sup>4</sup> Preface to 1961 Model State Administrative Procedure Act.

states adopted the 1961 Act or large parts of it.<sup>5</sup>

### **The 1981 Model State Administrative Procedure Act**

In the nineteen seventies, the Conference began work on another revision of the Act which was completed in 1981. The Conference based the need for this revision upon greater experience with administrative procedure by state governments, and growth in state government in such areas as the environment, workplace safety and benefit programs. This growth, it was argued, was so great as to effect a change in the nature of state government. The 1981 Act sought to deal with those changes.

The preface to the 1981 Act explained that the approach to drafting had changed from the 1946 and 1961 Acts. According to the drafters, the 1981 Act was entirely new, with more detail than earlier versions of the Act. This expanded focus on detail was based upon changed circumstances in the states and greater state experience with administrative procedure since 1961.<sup>6</sup> The 1981 Act, when completed, consisted of ninety-four sections<sup>7</sup>. In the twenty-odd years since promulgation of the 1981 Act, Arizona, New Hampshire, and Washington have adopted many of its provisions. Several other states have drawn some of their administrative procedure provisions from the 1981 Act.<sup>8</sup>

### **The Present Revision**

There are several reasons for revision of the 1981 Act. It has been more than twenty-five years since the Act was last revised. There now exists a substantial body of legislative action, judicial opinion and academic commentary that explain, interpret and critique the 1961 and 1981 Acts and the Federal Administrative Procedure Act. In the past two decades state legislatures,

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<sup>5</sup> Uniform Laws Annotated at 357 (1980 Master Edition) catalogued numerous states that used the 1961 Model State Administrative Procedure Act. They are: Arizona, Arkansas, Connecticut, District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Louisiana, Maine, Maryland, Massachusetts, Michigan, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Mexico, New York, North Carolina, Oklahoma, Oregon, Rhode Island, South Dakota, Tennessee, Vermont, Washington, West Virginia, Wisconsin, and Wyoming.

<sup>6</sup> Preface, 1981 Model State Administrative Procedure Act. The greater emphasis on detail in the 1981 Model State Administrative Procedure Act is apparent from the text of the preface:

In addition, the drafters of this effort have produced an act that is more detailed than the earlier Model Act. There are several reasons for this. First, virtually all state administrative procedure acts are much more detailed than the 1961 Revised Model Act. Second, the states badly need and want guidance on this subject in more detail than the earlier act provided. Third, substantial experience under the acts of the several states suggests that much more detail than is provided in the earlier Model Act is in fact necessary and workable in light of current conditions of state government and society. Since this is a Model Act and not a Uniform Act, greater detail in this act should also be more acceptable because each state is only encouraged to adopt as much of the act as is helpful in its particular circumstances.

<sup>7</sup> For example, the 1961 Model State Administrative Procedure Act contained nineteen sections; the 1981 Model State Administrative Procedure Act contained more than eighty sections divided among five different articles.

<sup>8</sup> Some of those states are: Florida, Iowa, Kansas, California, Mississippi and Montana.

dissatisfied with agency rulemaking and adjudication, have enacted statutes that modify administrative adjudication and rulemaking procedure. At the present time the American Bar Association has undertaken a major study of the Federal Administrative Procedure Act and is recommending revision of that act. Since some sections of the Model State Administrative Procedure Act are similar to the Federal Act, the ABA study furnishes useful comparisons for the Act. The emergence of the Internet, which did not exist at the time of the last revision of the Act, is another event that the Model Administrative Procedure Act must address. Finally, since the 1981 Act, approximately thirty states have adopted central panel administrative law judge provisions. What has been learned from the experience in those states can be used to improve this Act.



1                   **REVISED MODEL STATE ADMINISTRATIVE PROCEDURE ACT**

3                                   **[ARTICLE] 1**

4                                   **GENERAL PROVISIONS**

6                   **SECTION 101. SHORT TITLE.** This [act] may be cited as the [state] Administrative  
7 Procedure Act.

8                   **SECTION 102. DEFINITIONS.** In this [act]:

9                   (1) “Adjudication” means the process for determination of facts or application of law  
10 pursuant to which an agency formulates and issues an order.

11                   (2) “Agency” means a state board, authority, commission, institution, department,  
12 division, officer, or other stategovernment entity, that is authorized or required by law to make  
13 rules or to adjudicate. The term does not include the governor, the legislature, and the judiciary.  
14 The term does not include local agencies but does include state agencies.

15                   (3) “Agency action” means:

16                                   (A) the whole or part of any agency order or rule;

17                                   (B) the failure to issue an order or rule; or

18                                   (C) an agency’s performance of, or failure to perform, any duty, function, or  
19 activity or to make any determination required by law.

20                   (4) “Agency head” means the individual in whom, or one or more members of the body  
21 of individuals in which, the ultimate legal authority of an agency is vested.

22                   (5) “Agency record” means the agency rulemaking record in rulemaking governed by Section  
23 302, the emergency rulemaking record in rulemaking governed by Section 309(a), the expedited

1 rulemaking record in rulemaking governed by Section 309(b). the agency hearing record in an  
2 adjudication governed by Section 407, and the agency record in informal and emergency cases  
3 governed by Sections 406 and 408 .

4 (6) “Contested case” means an adjudication in which an opportunity for an evidentiary  
5 hearing is required by the federal or state constitution, or a federal or state statute, or a judicial  
6 decision ~~[deleted or by the common law]~~.

7 (7) “Electronic” means relating to technology having electrical, digital, magnetic,  
8 wireless, optical, electromagnetic, or similar capabilities.

9 (8) “Electronic record” means a record created, generated, sent, communicated, received,  
10 or stored by electronic means.

11 (9) “Emergency adjudication” means an adjudication in a contested case in which ~~there~~  
12 ~~is an~~ danger to the public health, safety, or welfare ~~that~~ requires immediate action.

13 (10) “Evidentiary hearing” means a hearing for the receipt of evidence to resolve a  
14 contested issue in which the decision of the hearing officer may be made only on material  
15 contained in the agency record created at the hearing.

16 (11) “Guidance document” means a record developed by an agency that once issued,  
17 binds the agency-, and- informs the general public of an agency’s current approach to, or opinion  
18 of, law, including, interpretations and general statements of policy that describe the agency’s  
19 exercise of discretionary functions.

20 (12) “Index” ~~means~~includes a searchable list ~~or collection~~ of items by subject and caption  
21 in a record with a page number, hyperlink, or any other connector that links the list with the  
22 record to which it refers.

23 (13) “Informal adjudication” means an adjudication in a contested case in which the  
24 presiding officer is permitted to follow an informal procedure.

1 (14) “Internet website” means a centralized Internet website that permits the public to  
2 search a permanent database that archives materials required to be published with the [publisher]  
3 under this [act].

4 (15) “Law” means the federal or state constitution, a federal or state statute, a judicial  
5 decision, a rule of court, an executive order, or a rule or order of an agency.

6 (16) “License” means a permit, certificate, approval, registration, charter, or similar form  
7 of permission required by law ~~which is~~ issued by an agency.

8 (17) “Licensing” means the grant, denial, renewal, revocation, suspension, annulment,  
9 withdrawal, or amendment of a license.

10 (18) “Notify” means to take such steps as may be reasonably required to inform another  
11 person in the ordinary course, whether or not the other person actually comes to know of it.

12 (19) “Order” means an agency adjudication of particular applicability that determines the  
13 legal rights, duties, privileges or immunities, or other legal interests of one or more specific  
14 persons.

15 (20) “Party” means the agency taking action, the person against ~~which~~whom the action  
16 is directed, and any other person named as a party or permitted to intervene.

17 (21) “Person” means an individual, corporation, business trust, estate, trust, statutory  
18 trust, partnership, limited liability company, association, joint venture, public corporation,  
19 government, or governmental subdivision, agency, or instrumentality, or any other legal or  
20 commercial entity.

21 (22) “Presiding officer” means the ~~individual person~~ who presides over the evidentiary  
22 hearing in a contested case.

(23) “Proceeding” means any type of formal or informal agency process or procedure commenced or conducted by an agency. The term includes adjudication, rulemaking, and investigation.

(24) “Recommended decision” means a proposed action issued by a presiding officer who is not the agency head which is subject to review by the agency head.

(25) “Record” means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

(26) “Rule” means the whole or a part of an agency statement of general applicability and future effect that implements, interprets, or prescribes law or policy or the organization, procedure, or practice requirements of an agency. The term does not include:

(A) statements concerning only the internal management of an agency and not affecting private rights or procedures available to the public;

(B) agency declaratory orders issued under this [act];

(C) a decision or order in a contested case;

(D) an intergovernmental or interagency memorandum, directive, or communication that does not affect the rights of, or procedures and practices available to, the public;

(E) an opinion of the [Attorney General](#);

(F) a statement that establishes criteria or guidelines to be used by the staff of an agency in performing audits, investigations, or inspections, settling commercial disputes, negotiating commercial arrangements, or in the defense, prosecution, or settlement of cases, if disclosure of the criteria or guidelines would enable law violators to avoid detection, facilitate

disregard of requirements imposed by law, or give a clearly improper advantage to persons  
~~that~~who are in an adverse position to the state;

(G) guidance documents; ~~or~~and

(H) forms developed by an agency to implement or interpret agency law or policy.

(27) “Rulemaking” means the process for adopting, amending, or repealing a rule.

(28) “Sign” means, with present intent to authenticate or adopt a record:

(A) to execute or adopt a tangible symbol; or

(B) to attach to or logically associate with the record an electronic symbol, sound,  
or process.

(29) “State” means a state of the United States, the District of Columbia, Puerto Rico, the  
United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of  
the United States.

(30) “Written” means inscribed on a tangible medium.

#### **Comment**

Adjudication. This definition gives the general meaning of adjudication that distinguishes  
it from rulemaking. See California Government Code Section 11405.20. This Act and the  
definitions in this Section also identify some categories of adjudication that require procedure  
specified in this Act to be used to reach a decision. For example, the term contested case, defines  
a subset of adjudications that must be conducted as prescribed in Article 4 of this Act.

Agency. The object of this definition is to subject as many state actors as possible to this  
definition. See 1981 MSAPA Section 1-102(1). The exception for the governor means the  
governor personally.

Agency Action. This definition is added for purposes of identifying those matters subject  
to judicial review. Failure to issue an order or rule is not judicially reviewable except as provided  
in Section 501(a) of the Act. Failure to issue an order or rule does not include an agency denial of  
a petition to initiate rulemaking. See Section 317 of the Act. This definition is taken from 1981  
MSAPA Section 1-102(2).

1 Agency Head. This definition differentiates between the agency as an organic whole and  
2 the particular persons (commissioners, board members or the like) in whom final authority is  
3 vested. This definition is taken from 1981 MSAPA Section 1-102(3).  
4

5 Contested case. This term is similar to the “contested case” definition of the 1961  
6 MSAPA. Like the 1961 MSAPA, this Act looks to external sources such as statutes to describe  
7 situations in which a party is entitled to a hearing. However, this term differs from the 1961  
8 MSAPA’s term “contested case” because it also includes hearings required by the constitution,  
9 federal or state, and makes provision in Article 4 for the type of hearing to be held in a case  
10 where a constitution creates the right to a hearing. Including constitutionally created rights to a  
11 hearing within the provisions of this Act eliminates the problem of looking outside the Act to  
12 determine the type of hearing required in cases where the right to the hearing is created by  
13 constitution. Hearing rights created by judicial decisions means constitutional decisions by  
14 appellate courts. See *Goldberg v. Kelley*, 397 U.S. 254 (1970), and *Goss v. Lopez* 419 U.S. 565  
15 (1975). Contested cases do not include investigatory hearings, pure administrative process  
16 proceedings such as tests, elections, or inspections, and situations in which a party has a right to a  
17 de novo administrative or judicial hearing. See Section 401 of the Act. An agency may by rule  
18 make all or part of article 4 applicable to adjudication that does not fall within the requirements  
19 of Section 401, including hearing rights conferred by agency regulations. See California  
20 Government Code Section 11410.10. The scope of hearing rights is governed by law other than  
21 this act.  
22

23 Record. Modern electronic-age statutes such as the Uniform Computer Information  
24 Transactions Act and the Uniform Electronic Transactions Act adopt a broad definition of the  
25 term record that includes the term document. This act follows those definitions.  
26

27 Electronic. The term “electronic” refers to the use of electrical, digital, magnetic,  
28 wireless, optical, electromagnetic and similar technologies. It is a descriptive term meant to  
29 include all technologies involving electronic processes. The listing of specific technologies is not  
30 intended to be a limiting one. The definition is intended to assure that this act will be applied  
31 broadly as new technologies develop. For example, biometric identification technologies would  
32 be included if they affect communication and storage of information by electronic means. As  
33 electronic technologies expand and include other competencies, those competencies should also  
34 be included under this definition. The definition of the term “electronic” in this act has the same  
35 meaning as it has in UETA SECTION 2(5) and in the Uniform Real Property Electronic  
36 Recording Act.  
37

38 Electronic Record. This definition is identical to § 2(7) of the Uniform Electronic  
39 Transactions Act. An “electronic record” is a document that is in an “electronic” form.  
40 Documents may be communicated in electronic form; they may be received in electronic form;  
41 they may be recorded and stored in electronic form; and they may be received in paper copies and  
42 converted into an electronic record. This Act does not limit the type of electronic documents  
43 received by the [publisher]. The purpose of defining and recognizing electronic documents is to  
44 facilitate and encourage agency use of electronic communication and maintenance of electronic

1 records.

2  
3 Emergency Adjudication. This definition is designed to be used with the emergency  
4 adjudication procedures provided by Section 408. The danger to the public health, safety, or  
5 welfare standard requiring immediate action is a strict standard that is defined by law other than  
6 this Act. Federal and state case law have held that in an emergency situation an agency may act  
7 rapidly and postpone any formal hearing without violation, respectively, of federal or state  
8 constitutional law. FDIC v. Mallen, 486 U.S. 230 (1988); Gilbert v. Homar (1997) 520 U.S.  
9 924; Dep't of Agric. v. Yanes, 755 P.2d 611 (OK. 1987).

10 -  
11 Guidance document. This definition is taken from the Michigan APA, M.C.L.A.  
12 24.203(6), and the Virginia APA, Va. Code Ann. SECTION 2.2-4001. See also the; Idaho I.C.  
13 SECTION 67-5250 and N.Y. McKinneys State Administrative Procedure Act, SECTION 102.  
14 This is a definition intended to recognize that there exist agency statements for the guidance of  
15 staff and the public that differ from, and that do not constitute, rules. Many states recognize such  
16 statements under the label “interpretive statement” or “policy statement.” See Wash. Rev. Code,  
17 SECTION 34.05.010(8) & (15). Later sections of this Act will provide for the publication and  
18 availability of this type of record so that they are not “secret” records. See: Michael Asimow,  
19 Guidance Documents in the States, 54 Adm. L. Rev. 631 (2002); Michael Asimow, California  
20 Underground Regulations, 44 Adm. L. Rev. 43 (1992).

21  
22 Index. The definition of index has been added as a guide to agencies, [publisher]s and  
23 editors about their duties to make records available and easily accessible to the public in the form  
24 of an index, as that term is used throughout this act.

25  
26 Internet website. This definition is designed to be used by agencies and publishers to  
27 comply with the requirements of Sections 201, 316, and 421 of this Act.

28 -  
29 License. The definition of license is drawn largely from the 1961 MSAPA.

30  
31 Order. Unlike the federal APA which defines rule, but not order, this section provides a  
32 positive definition of order based on case law and agency experience. The key concept is that an  
33 order includes solely agency legal determinations that are addressed to particular, specific,  
34 identified individuals in particular circumstances. An order may be addressed to more than one  
35 person. Further, the definition is consistent with modern law in rejecting the right/privilege  
36 distinction in constitutional law. The addition of the language “or other interests” is intended to  
37 clarify this change and to include entitlements. See also Cal.Gov.Code SECTION 11405.50.

38  
39 Party. This definition includes the agency, any person against whom agency action is  
40 brought and any person who intervenes. Its terms also include any person who may participate in  
41 a rulemaking proceeding, such as someone who offers a comment. This section is not intended  
42 to deal with the issue of a person’s entitlement to review. Standing and other issues relating to  
43 judicial review of agency action are addressed in Article 5 of this Act.

1 Presiding Officer. This definition includes an agency staff member, an administrative law  
2 judge or one or more members of the agency head when designated to preside at a hearing.  
3

4 Person. The definition of a “person” is the standard definition for that term used in acts  
5 adopted by the National Conference of Commissioners on Uniform State Laws. It includes  
6 individuals, associations of individuals, and corporate and governmental entities.  
7

8 Rule. The essential part of this definition is the requirement of general applicability of  
9 the statement. This criterion distinguishes a rule from an order, which focuses upon particular  
10 applicability to identified parties only. Applicability of a rule may be general, even though at the  
11 time of the adoption of the rule there is only one person or firm affected: persons or firms in the  
12 future who are in the same situation will also be bound by the standard established by such a rule.  
13 It is sometimes helpful to ask in borderline situations what the effect of the statement will be in  
14 the future. If unnamed parties in the same factual situation in the future will be bound by the  
15 statement, then it is a rule. The word “statement” has been used to make clear that, regardless of  
16 the term that an agency uses to describe a declaration or publication and whether it is internal or  
17 external to the agency, if the legal operation or effect of the agency action is the same as a  
18 substantive rule, then it meets this definition. The exceptions to the definition are widely used in  
19 state APAs. [Subsection 26\(A\) is drawn from 1981 Model State APA § 3-116\(1\). Subsection](#)  
20 [26\(E\) is drawn from 1981 Model State APA § 3-116\(9\). Subsection 26\(F\) is drawn from 1981](#)  
21 [Model State APA § 3-116\(2\). Subsection 26\(H\) is based on 1981 Model State APA § 3-116\(7\).](#)  
22  
23  
24

25 [\*\*Written. This definition relates to the definition of record in Section 102\(25\) in that\*\*](#)  
26 [\*\*written documents are inscribed on a tangible medium. The definition of record in Section\*\*](#)  
27 [\*\*102\(25\) includes both tangible medium \(written\) and electronic documents.\*\*](#)

28 **SECTION 103. APPLICABILITY.** This [act] applies to all agencies unless the agency  
29 is expressly exempted [by statutory law of this state](#).

### 30 **Comment**

31 This section is intended to define which agencies are subject to the provisions of this act.  
32 Many states have made use of an applicability provision to define the coverage of their  
33 Administrative Procedure Act. See: Iowa, I.C.A. SECTION 17A.23; Kansas, K.S.A. SECTION  
34 77-503; Kentucky, KRS SECTION 13B.020; Maryland, MD Code, State Government,  
35 SECTION 10-203; Minnesota, M.S.A. SECTION 14.03; Mississippi, Miss. Code Ann.  
36 SECTION 25-43-1.103; Washington, West’s RCWA 34.05.020.  
37



1 [ARTICLE 2]

2 PUBLIC ACCESS TO AGENCY LAW AND POLICY

3  
4 SECTION 201. PUBLICATION, COMPILATION, INDEXING, AND PUBLIC  
5 INSPECTION OF RULEMAKING DOCUMENTS~~RULES~~.

6 (a) The [publisher] shall administer this section and other sections of this [act] that  
7 require publication.

8 *Legislative Note:* throughout this act the drafting committee has used the term [publisher] to  
9 describe the official or agency to which substantive publishing functions are assigned. All states  
10 have such an official, but their titles vary. Each state using this act should determine what that  
11 agency is, then insert its title in place of [publisher] throughout this act.  
12

13 (b) The [publisher] shall publish all documents in [electronic] [written] format.The  
14 [publisher] shall prescribe a uniform numbering system, form, and style for all proposed and  
15 adopted rules.

16 (c) The [publisher] shall maintain the official record of adoption for adopted rules,  
17 including the text of the rule and any supporting documents, filed with the [publisher] by the  
18 agency. The agency adopting the rule shall maintain the rulemaking record, as defined in Section  
19 302(b), for that rule.

20 (d) The [publisher] shall create and maintain an Internet website [or other appropriate  
21 technology]. The [administrative bulletin and administrative code] and any guidance document  
22 filed with the [publisher] by an agency must be published online on~~via~~ the Internet website [or  
23 other appropriate technology]. ~~The [publisher] may not charge for public access to the Internet~~  
24 ~~website [or other appropriate technology].~~

25 (e) The [administrative bulletin] shall be published by the [publisher] at least once per

[month]. ~~An issue of the [administrative bulletin] is deemed published on the date of publication.~~

(f) The [administrative bulletin] must be made available in written form upon request, for which the [publisher] may charge a reasonable fee.

(g) The [administrative bulletin] must contain:

(1) notices of proposed rule adoption ~~prepared so that the text of the proposed rule shows the text of any existing rule proposed to be changed and the change proposed;~~

(2) newly filed adopted rules ~~prepared so that the text of the newly filed adopted rule shows the text of any existing rule changed and the change being made;~~

(3) any other notices and materials designated by [law] [rulemaking] [the [publisher]] for publication in the [administrative bulletin]; and

(4) an index ~~to its contents by subject and caption.~~

(h) The [administrative code] must be compiled, indexed by subject, and published in a format and medium as prescribed by the [publisher]. The rules of each agency must be published and indexed in the [administrative code].

(i) The [publisher] shall also make available for public inspection and copying the [administrative bulletin] and the [administrative code]. ~~(i) The [publisher] shall also make available for public inspection and copying those portions of the [administrative bulletin and administrative code] containing all rules adopted or used by an agency in the discharge of its functions and an index to those rules.~~

(j) The [publisher] may make minor non substantive corrections ~~correct minor, nonsubstantive errors~~ in spelling, grammar, and format in proposed or adopted rules after

notification of the agency. The [publisher] shall make a record of the corrections.

~~(k)(4) An agency~~ shall make ~~its~~<sup>their</sup> rules, guidance documents, and orders in contested cases ~~[unless otherwise protected by law]~~ available through electronic distribution ~~and as well as through the~~ regular mail unless exempt from disclosure under law other than this act.

(l) An agency may provide for electronic distribution of notices related to rulemaking or guidance documents to a persons who requests it. ~~it may substitute for mailed copies related to rulemaking or guidance documents.~~ If a notice is distributed electronically, the agency is not required to transmit the actual notice form but must send all the information contained in the notice.

(m) All agencies, through the office of [publisher], shall make available on the Internet website of the [publisher]:

- (1) notice of each proposed rule adoption, amendment, or repeal;
- (2) the summary of regulatory analysis of each proposed rule;
- (3) each adopted rule, rule amendment, or rule repeal;
- (4) each guidance document;
- (5) each notice; ~~and~~
- (6) each order in a contested ~~disputed~~ case ~~; and~~;
- (7) any other notice or matter that an agency is required to publish under this act.

(n) The [publisher] may not charge a fee for public access to the ~~No fee may be charged for public access to the~~ [publisher]'s Internet website [or other appropriate technology].

## Comment

1 This section seeks to assure adequate notice to the public of proposed agency action. It  
2 also seeks to assure adequate record keeping and availability of records for the public. Article 2  
3 is intended to provide easy public access to agency law and policy that are relevant to agency  
4 process. Article 2 also adds provisions for electronic publication of the administrative bulletin  
5 and code. Section 201 does not address the issue related to what languages rules should be  
6 published in, nor does it address issues related to translation of information contained in these  
7 documents into languages other than English.  
8

9 The arrival of the Internet and electronic information transfer, which occurred after the  
10 last revision of the Model State Administrative Procedure Act, has revolutionized  
11 communication. It has made available rapid, efficient and low cost communication and  
12 information transfer. Many states as well as the federal agencies have found that it is an ideal  
13 medium for communication between agencies and the public, especially in connection with  
14 rulemaking. Since the last Model Administrative Procedure Act was written, many states have  
15 adopted various types of statutes that permit agencies to use electronic technology to  
16 communicate with the public. The agencies have found this technology particularly useful in  
17 connection with rulemaking.  
18

19 Subsection (c) requires that the [publisher] maintain the official record for adopted rules,  
20 including the text of the rules and any supporting documents, filed by the agency. Subsection (c)  
21 also requires that the agency adopting the rule maintain the rulemaking record for that rule.  
22 Section 302(b) provides the requirements for the rulemaking record.  
23

24 ~~Bracketed S~~ubsection (d) requires the [publisher] to 1) maintain an Internet website, and  
25 2) publish all matters required to be published under this act ~~to be published~~ on that website. If a  
26 state chooses to use subsection (d), they will create a centralized website for use by all agencies.  
27 Subsection (d) also requires that the [publisher] publish agency guidance documents filed by the  
28 agency with the [publisher]. See section 202(4) and Section 310, below. Subsection (d) does not  
29 address issues related to authentication, preservation and archival of electronic documents  
30 published on an internet website. Subsection (d) does not address the principles for deciding  
31 what rules are in effect and enforceable at a specific point in time.  
32

33 Subsection (f) requires the publisher to make the administrative bulletin available in  
34 written form upon request, for which the publisher may charge a reasonable fee. This  
35 requirement can be satisfied by states making the administrative bulletin available on the  
36 internet, searchable, and printable.  
37

38 The bracketed text of subsection (g)(1), and (g) (2) is included so that agencies may  
39 utilize redlining or underlining and striking of the text of the proposed or adopted rules so that  
40 changes from the existing text of the rule are clearly delineated. Agencies that are proposing or  
41 adopting new rules or that have some other system for showing changes need not use the  
42 bracketed text.  
43

44 It is possible to go much further in providing for use of the Internet that the publication

1 adopted here. For example, a state could choose to permit agencies to operate their own  
2 websites, and to accept comments on rules on the website. They could also provide for  
3 maintenance of a database of all comments received that the public could access. These  
4 provisions are extremely useful, but may be quite expensive. The central system adopted here,  
5 means only one Internet website is required. In terms of cost benefit, this is an effective method  
6 of providing for electronic communication and agency access.

7  
8 Subsection (h) requires the publisher to index the administrative code by subject. States  
9 can satisfy this requirement by providing an administrative code that is searchable by word on  
10 the internet.

11  
12 Subsection (j) provides for a limited nonsubstantive power to edit agency rules provided  
13 that the agency is notified by the rules [publisher] of the changes. Subsection (jg) is based on the  
14 Maine Administrative Procedure Act, 5 M.R.S.A. Section 8056(10).

15  
16 Subsections (k) and (l) are drawn from the Washington Administrative Procedure Act.  
17 See WA ST 34.05.260.

## 18 19 **SECTION 202. REQUIRED AGENCY RULEMAKING AND**

20 **RECORDKEEPING.** In addition to any other rulemaking requirements imposed by law, each  
21 agency shall:

22 (1) adopt as a rule a description of its organization, stating the general course and  
23 method of its operations and the methods ~~by which~~<sup>whereby</sup> the public may obtain information or  
24 make submissions or requests;

25 (2) adopt as a rule the nature and requirements of all formal and informal procedures  
26 available, including a description of all forms and instructions used by the agency;

27 (3) adopt as a rule a description of the process for application for a license, available  
28 benefits, or other matters for which an application is appropriate, unless the process is prescribed  
29 by law other than this [act];

30 (4) issue rules for the conduct of public hearings [if the default procedural rules  
31 promulgated under Section 204 do not include provisions for the conduct of public hearings] .

(5) file with the publisher in electronic format acceptable to the publisher the agency's  
[proposed rules]; adopted rules, including rules adopted using the emergency process under  
Section 309(a) and rules adopted using the expedited process under Section 309(b)~~emergency-~~  
~~rules; direct final rules~~; notices; and orders issued in contested cases ~~[unless otherwise protected~~  
~~by law] with the [publisher] in electronic format acceptable to the [publisher];~~

(6) maintain a separate, official, current, and dated index and compilation of all rules  
adopted under [Article] 3, make the index and compilation available at agency offices for public  
inspection and copying [and online on via the [publisher]'s Internet website], update the index  
and compilation at least every [30] days], and file the index and the compilation and all changes  
to both with the [publisher]; and

(7) maintain [custody of] the agency's current rulemaking dockets required by Section  
302(b).

### Comment

One object of this section is to make available to the public all procedures followed by  
the agency, including especially how to file for a license or benefit. It is modeled on the 1961  
Model State Administrative Procedure Act, Sections 2(a) (4) & 2(b), the 1981 Model State APA  
Sections 2-104(1),(2), and the Kentucky Administrative Procedure Act, KRS Section 13A.100.  
Persons seeking licenses or benefits should have a readily available and understandable reference  
sources from the agency. A second reason is to eliminate "secret law" by making all guidance  
documents used by the agency available from the agency and the administrative [publisher].

Agencies could use expedited rulemaking procedures under Section 309(b) to adopt some  
of the rules required by subsections (1), (2), (3), and (4).

### SECTION 203. DECLARATORY ORDER.

(a) Any interested person may petition an agency for a declaratory order that a rule,  
guidance document, or order issued by the agency applies or does not apply to the petitioner.

(b) Each agency shall adopt rules prescribing the form of a petition for purposes of subsection (a) and the procedure for its submission, consideration, and prompt disposition. The provisions of this [act] for formal, informal, or other applicable hearing procedure do not apply to an agency proceeding for a declaratory order, except to the extent provided in this [article] or to the extent the agency so provides by rule or order.

(c) ~~Not later than~~ Within 60 days after receipt of a petition pursuant to subsection (a), an agency shall ~~either~~ decline to issue a declaratory order, issue the requested declaratory order, or schedule the matter for hearing.

(d) If an agency declines to consider a petition submitted under subsection (a), it shall promptly notify in ~~writing~~ for in a record the person who filed the petition of its decision and include a brief statement of the reasons for declining.

#### ALTERNATIVE A ~~ALTERNATIVE 1~~

An agency decision to decline to issue a declaratory order is not subject to judicial review.

#### ALTERNATIVE B ~~ALTERNATIVE 2~~

An agency decision to decline to issue a declaratory order is judicially reviewable in court for abuse of discretion.

#### END OF ALTERNATIVES ~~END OF ALTERNATIVES~~

(e) If an agency issues a declaratory order, the order must contain the names of all parties to the proceeding, the particular facts on which it is based, and the reasons for the agency's conclusion. A declaratory order has the same status and binding effect as an order issued in an

1 adjudication. Declaratory orders are subject to judicial review under Section 501.

## 2 **Comment**

3  
4 This section embodies a policy of creating a convenient procedural device that will enable  
5 parties to obtain reliable advice from an agency. Such guidance is valuable to enable citizens to  
6 conform with agency standards as well as to reduce litigation. It is based on the 1981 MSAPA,  
7 Section 2-103 and Hawaii Revised Statutes, Section 91-8.  
8

9 Subsection (d) states two alternatives: 1) agency decisions that decline to issue a  
10 declaratory order are not judicially reviewable (See Heckler v. Chaney 470 U.S. 821 (1985)  
11 (FDA decision not to undertake enforcement action is not reviewable under federal APA, 5  
12 U.S.C. Section 701(a)(2).); 2) agency decisions that decline to issue a declaratory order are  
13 judicially reviewable for abuse of discretion (See Massachusetts v. EPA 127 S. Ct. 1438 (2007)  
14 (EPA decision to reject rulemaking petition and therefore not to regulate greenhouse gases  
15 associated with global warming was judicially reviewable and decision was arbitrary and  
16 capricious.).  
17

18 Subsection (e) is based on the California APA, West's Ann.Cal.Gov.Code Section  
19 11465.60; and the Washington APA, West's RCWA 34.05.240. A declaratory decision issued by  
20 an agency is judicially reviewable; is binding on the applicant, other parties to that declaratory  
21 proceeding, and the agency, unless reversed or modified on judicial review; and has the same  
22 precedential effect as other agency adjudications. A declaratory decision, like other decisions,  
23 only determines the legal rights of the particular parties to the proceeding in which it was issued.  
24 The requirement in subdivision (e) that each declaratory decision issued contain the facts on  
25 which it is based and the reasons for its conclusion will facilitate any subsequent judicial review  
26 of the decision's legality. It also ensures a clear record of what occurred for the parties and for  
27 persons interested in the decision because of its possible precedential effect.  
28

## 29 **[SECTION 204. DEFAULT PROCEDURAL RULES.**

30 (a) The [~~g~~Governor] [~~a~~Attorney ~~g~~General] [designated state agency] shall adopt default  
31 procedural rules for use by agencies. The default rules must provide for the procedural functions  
32 and duties of as many agencies as is practicable.

33 (b) Except as otherwise provided in subsection (c), an agency ~~shall~~~~must~~ use the default  
34 procedural rules published under subsection (a).

35 (c) An agency may adopt a rule of procedure that differs from the default procedural



1 rules adopted under subsection (a) by adopting a rule that states with particularity the need and  
2 reasons for the variation from the default procedural rules.]

3 **Comment**

4 This Section is based on Section 2-105 of the 1981 MSAPA. See also the provisions of  
5 the California Administrative Procedure Act, California Government Code Section 11420.20  
6 (adoption of model alternative dispute resolution regulations by California Office of  
7 Administrative Hearings.) One purpose of this provision is to provide agencies with a set of  
8 procedural rules. This is especially important for smaller agencies. Another purpose of this  
9 section is to create as uniform a set of procedures for all agencies as is realistic, but to preserve  
10 the power of agencies to deviate from the common model where necessary because the use of the  
11 model rules is demonstrated to be impractical for that particular agency. This section requires all  
12 agencies to use the model rules as the basis for the rules that they are required to adopt under  
13 Section 202. An agency may deviate from the model rules only for impracticability.  
14

1  
2 [ARTICLE] 3

3 RULEMAKING; ADOPTION AND EFFECTIVENESS OF RULES  
4

5 SECTION 301. CURRENT RULEMAKING DOCKET.

6 (a) As used in this article, “rule” does not include a rule adopted using the emergency  
7 process under Section 309(a)~~an emergency rule adopted under Section 309(a)~~ or a rule adopted  
8 using the expedited process~~an expedited rule adopted~~ under Section 309(b).

9 (b) Each agency shall maintain a current rulemaking docket that is indexed.

10 (c) A current rulemaking docket must list each pending rulemaking proceeding. The  
11 docket must ~~state~~indicate or contain:

- 12 (1) the subject matter of the proposed rule;  
13 (2) notices related to the proposed rule;  
14 (3) where comments may be inspected;  
15 (4) the time within which comments may be made;  
16 (5) requests for public hearing;  
17 (6) appropriate information about a public hearing, if any, including the names of  
18 the persons making the request;  
19 (7) how comments may be made; and  
20 (8) the timetable for action.

21 ALTERNATIVE A~~ALTERNATIVE 1~~

22 (d) Regardless of whether an agency maintains a docket electronically, it must furnish a  
23 written docket.

1 **ALTERNATIVE B ~~ALTERNATIVE 2~~**

2 (d) Upon request, the agency shall provide a written docket.

3 **END OF ALTERNATIVES~~END OF ALTERNATIVES~~**

4 **Comment**

5  
6 This section is modeled on Minn. M.S.A. Section 14.366. This section and the following  
7 section, Section 302 state the minimum docketing and rulemaking record keeping requirements  
8 for all agencies. This section also recognizes that many agencies use electronic recording and  
9 maintenance of dockets and records. However, for smaller agencies, the use of electronic  
10 recording and maintenance may not be feasible. This section therefore permits the use of  
11 exclusively written, hard copy dockets. The current rulemaking docket is a summary list of  
12 pending rulemaking proceedings or an agenda referring to pending rulemaking. This section  
13 includes expedited rules governed by Section 309.  
14

15 **SECTION 302. AGENCY RECORD IN RULEMAKING PROCEEDING.**

16 (a) An agency shall maintain a rulemaking record for each rule it proposes to adopt. The  
17 record and materials incorporated by reference must be readily available for public inspection in  
18 the central office of ~~the~~an agency and, unless unavailable for display on the ~~I~~internet because it is  
19 ~~exempt from disclosure under state law other than this [act]~~subject to state law [public records  
20 ~~act] other than this [act], [or] subject to the Uniform Trade Secrets Act~~], or incapable of being  
21 displayed electronically, available for public display on the Internet website maintained by the  
22 [publisher].

23 (b) A rulemaking record must contain:

24 (1) copies of all publications in the [administrative bulletin] with respect to the  
25 rule or the proceeding upon which the rule is based;

26 (2) copies of any portions of the rulemaking docket containing entries relating to  
27 the rule or the proceeding upon which the rule is based;

1 (3) all written or electronic petitions, requests, submissions, and comments  
2 received by the agency and all other written or electronic materials or records whether or not  
3 relied upon ~~for all relevant information received by the agency in the rulemaking proceeding~~ by  
4 the agency in connection with the proceeding upon which the rule is based;

5 (4) any official transcript of oral presentations made in the proceeding upon  
6 which the rule is based or, if not transcribed, any audio recording or verbatim transcript of those  
7 presentations, and any memorandum prepared by the agency official who presided over the  
8 hearing, summarizing the contents of those presentations;

9 (5) a copy of the rule and explanatory statement filed in the office of the  
10 [publisher]; and

11 (6) all petitions for any agency action on the rule except for petitions governed by  
12 Section 203.

### 13 **Comment**

14  
15 Several states have adopted this type of agency rule-making record provisions: Az.,  
16 A.R.S. Section 41-1029; Colo., C.R.S.A. Section 24-4-103; Minn., M.S.A. Section 14.365;  
17 Miss., Miss. Code Ann. Section 25-43-3.110; Mont., MCA 2-4-402; Okl., 75 Okl.St.Ann.  
18 Section 302; and Wash., RCWA 34.05.370.

19  
20 The language of subsection (a) is based on Section 3-112(a) of the 1981 Model Act.  
21 Similar language is found in the Washington Administrative Procedures Act, RCWA Section  
22 34.05.370. The requirement of an official agency rulemaking record in subsection (a) should  
23 facilitate a more structured and rational agency and public consideration of proposed rules. It  
24 will also aid the process of judicial review of the validity of rules. The requirement of an official  
25 agency rulemaking record was suggested for the Federal Act in S. 1291, the “Administrative  
26 Practice and Regulatory Control Act of 1979,” title I, Section 102(d), [5 U.S.C. 553(d) ], 96  
27 Cong.Rec. S7126 at S7129 (daily ed. Jun. 6, 1979) (Sen. Kennedy).

28  
29 Subsection (b) requires *all written* submissions made to an agency and *all written*  
30 materials considered by an agency in connection with a rulemaking proceeding to be included in  
31 the record. It also requires a copy of any existing record of oral presentations made in the  
32 proceeding to be included in the rulemaking record.

SECTION 303. Negotiated Rulemaking ~~ADVICE ON POSSIBLE RULE BEFORE~~  
~~NOTICE OF PROPOSED RULE ADOPTION.~~

(a) An agency may gather information relevant to the subject matter of possible rulemaking and may solicit comments and recommendations from the public on a subject matter of possible rulemaking under active consideration within the agency by causing notice of possible rulemaking on the subject matter to be published in the [administrative bulletin] and indicating where, when, and how persons may comment.

(b) An agency may engage in negotiated rulemaking by appointing a committee to comment or ~~to~~ make recommendations on the subject matter of a possible rulemaking under active consideration within the agency. In making the appointments, the agency shall seek to establish a balance in representation among interested stakeholders and the public. The agency shall publish a list of all committees with their membership at least [annually] in the [administrative bulletin]. Notice of meetings of committees appointed under this subsection shall be published in the [administrative bulletin] at least [15 days] before ~~prior~~ to the meeting. Meetings of committees appointed under this section ~~must~~shall be open to the public.

(c) Except as otherwise provided by law, nothing in this section prohibits agencies from obtaining information and opinions from members of the public on the subject of the rulemaking by any other method or procedure used in rulemaking.

### Comment

This section is based upon the provisions of Section 3-101 of the 1981 MSAPA. Seeking advice before proposing a rule frequently alerts the agency to potential serious problems that will change the notice of proposed rulemaking and the rule ultimately adopted. This section is designed to encourage gathering information. It is not intended to prohibit any type of reasonable

1 agency information gathering activities; however, the section seeks to insure that agencies act in  
2 a fashion that will result in a balance among interested groups from whom information is  
3 received.

4  
5 Several states have enacted provisions of this type in their APAs. Some of them merely  
6 authorize agencies to seek informal input before proposing a rule; several of them indicate that  
7 the purpose of this type of provision is to promote negotiated rulemaking. Those states are Idaho,  
8 I.C. § 67-5220; Minnesota, M.S.A. § 14.101; Montana, MCA 2-4-304; and Wisconsin, W.S.A.  
9 227.13. Subsection (b) is intended to authorize negotiated rulemaking.

10  
11 Subsection (c) authorizes agencies to use other methods to obtain information and  
12 opinions. Under subsection (c), agencies may meet informally with specific stakeholders to  
13 discuss issues raised in the negotiated rulemaking process. Negotiated rulemaking under  
14 subsection (b) is an option for agency use but is not required to be used prior to starting a  
15 rulemaking proceeding. Negotiated rulemaking committees are also used in federal  
16 administrative law. 5 U.S.C. Sections 564 to 566.  
17

#### 18 **SECTION 304. NOTICE OF PROPOSED RULE ADOPTION.**

19 (a) At least [30] days before the adoption, amendment, or repeal of a rule, an agency  
20 shall publish notice of the proposed ~~action~~option in the [administrative bulletin]. The notice ~~of~~  
21 ~~the proposed adoption of a rule~~ must include:

22 (1) a short explanation of the purpose of the rule proposed for adoption,  
23 amendment, or repeal;

24 (2) a citation or reference to the specific legal authority authorizing the rule  
25 ~~proposed~~ proposed for adoption, amendment, or repeal;

26 ÷

27 (3) the text of the rule proposed for adoption, amendment, or repeal;  
28 ~~proposed;~~

29 (4) ~~how where persons may obtain~~ copies of the full text of the regulatory analysis  
30 of the rule proposed for adoption, amendment, or repeal may be obtained;

1 ~~proposed;~~ and

2 (5) where, when, and how ~~a person~~s may present their views on the rule proposed  
3 for adoption, amendment, or repeal~~proposed~~ and request ~~an hearing-oral proceeding~~ thereon if  
4 one is not already provided.

5 (b) Not later than~~Within~~ three days after publication of the notice of the proposed  
6 for adoption, amendment, or repeal ~~proposed adoption~~ of a rule in the [administrative bulletin],  
7 the agency shall mail or send electronically the notice ~~cause a copy of the notice to be mailed or~~  
8 ~~sent electronically~~ to each person that has made a timely request to the agency for a mailed or  
9 electronic copy of the notice. An agency may charge a reasonable fee for a person for the actual  
10 ~~cost of providing~~ written mailed copies if the person has made a request for a mailed~~written~~  
11 copy.

## 12 **Comment**

13 Many states have similar provisions to provide notice of proposed rule adoption to the  
14 public. This section is based upon the provisions of Section 3-103 of the 1081 MSAPA.  
15 Rulemaking is defined in Section 102(28). Adoption of a rule is used when the agency has not  
16 adopted rules on the same subject. Amendment of a rule is used when the agency proposes to  
17 change the language of a previously adopted rule. Repeal of a rule is used when the agency  
18 proposes to repeal a previously adopted or amended rule.  
19

## 20 **SECTION 305. REGULATORY ANALYSIS.**

21 (a) An agency shall prepare a regulatory analysis for a rule proposed to be adopted  
22 , amended, or repealed ~~proposed~~ by the agency ~~f~~having an estimated economic impact of more  
23 than [\$ ]. ~~[Add to (a)]~~ [An agency shall prepare a regulatory analysis for any rule proposed  
24 to be adopted , amended, or repealed by the agency having an estimated economic impact of less  
25 than [\$ ], if, not later than~~within~~ [20] days after the notice of the proposed adoption.

1 amendment , or repeal ~~of the rule~~of the rule is published, a written request for the analysis is  
2 filed with the agency by [the ~~g~~Governor] [.] [another agency] [.] [or] [a member of the  
3 Legislature]. The agency shall then prepare a regulatory analysis of the rule proposed to be  
4 adopted , amended, or repealed~~proposed rule~~].

5 (b) ~~[An agency shall prepare a negative declaration statement~~ statement of no estimated  
6 economic impact ~~or no estimated fiscal impact~~ for any rule proposed to be adopted , amended, or  
7 repealed by the agency the adoption, amendment, or repeal of which ~~that~~ has no economic ~~or~~  
8 ~~fiscal~~ impact ~~from adoption of the rule.~~]

9 (c) A regulatory analysis must contain:

10 (1) a description of any persons or classes of persons that would be affected by  
11 the rule proposed to be adopted , amended, or repealed and the costs and benefits to that person  
12 or class of persons;

13 (2) an estimate of the probable impact, ~~economic and otherwise,~~ of the rule  
14 proposed to be adopted , amended, or repealed upon affected classes;

15 (3) a comparison of the probable costs and benefits of the rule proposed to be  
16 adopted , amended, or repealed to the probable costs and benefits of inaction; and

17 (4) a determination of whether there are less costly or less intrusive methods for  
18 achieving the purpose of the rule proposed to be adopted , amended, or repealed.

19 (d) An agency preparing a regulatory analysis under this section shall ~~also~~ prepare a  
20 concise summary of the regulatory analysis.

21 (e) An agency preparing a regulatory analysis under this section shall file the analysis  
22 with the [publisher] in the manner provided in Section 315 [and submit it to the [regulatory



review agency] [department of finance and revenue] [other]].

(f) The concise summary of a regulatory analysis required under this section must be published in the [administrative bulletin] at least [20] days before the earliest of:

(1) the end of the period during which a persons may make written submissions on the rule proposed to be adopted , amended, or repealed to-be-adopted;

(2) the end of the period during which a hearingn-oral-proceeding may be requested; or

(3) the date of any required hearing oral-proceeding on the rule proposed to be adopted , amended, or repealed to-be-adopted.

#### Comment

Regulatory analyses are widely used as part of the rulemaking process in the states. The subsection also provides for submission to the rules review entity in the state, if the state has one. States that already have regulatory analysis laws can utilize the provisions of Section 305 to the extent that this section is not inconsistent with existing law other than this act. Agencies may rely upon agency staff expertise and information provided by interested stakeholders and participants in the rulemaking process. Agencies are not required by this act to hire and pay for private consultants to complete regulatory impact analysis.

#### SECTION 306. PUBLIC PARTICIPATION.

(a) For at least [30] days after publication of a notice of the proposed adoption, amendment, or repeal -of a rule, an agency shall allow a person s-to submit information and comment on a rule proposed to be adopted , amended, or repealed by the agency. The information or comments may be submitted electronically or in writing.

(b) The agency shall consider fully -all information and comments submitted respecting a rule proposed to be adopted, amended, or repealed -by the agency.

(c) Unless a public-hearing is required by law other than this [act], an agency is not

1 required to hold a ~~public~~ hearing on a rule proposed to be adopted, amended, or repealed. If an  
2 agency does hold a ~~public~~ hearing, the agency may allow ~~a persons~~ to make an oral presentation  
3 with -information and comments about ~~with respect to~~ the rule ~~orally~~. ~~Hearings~~ Oral proceedings  
4 must be open to the public and shall~~may~~ be recorded.

5 (d) A ~~public~~ hearing on a rule proposed to be adopted, amended, or repealed -may not be  
6 held earlier than [30] days after notice of its location and time is published in the [administrative  
7 bulletin].

8 (e) An agency representative shall preside at a ~~public~~ hearing on a rule proposed to be  
9 adopted, amended, or repealed. If the presiding agency representative is not the agency head, the  
10 representative shall prepare a memorandum for consideration by the agency head summarizing  
11 the contents of the presentations made at the hearing~~oral proceeding~~.

## 12 **Comment**

13  
14 This section gives discretion to the agency about whether to hold an oral hearing on  
15 proposed rules in the absence of a statutory or constitutional requirement that an oral hearing be  
16 held.  
17

## 18 **SECTION 307. FINAL ADOPTION.**

19 (a) An agency may not adopt, amend, or repeal a rule until the period for submitting  
20 information or comments has expired and notice has been given under [Article] 7.

21 (b) Not later than~~Within~~ [180] days after the date of publication of the notice of  
22 proposed adoption, amendment, or repeal -of the rule, the agency shall adopt, amend, or repeal -  
23 the rule pursuant to the rulemaking proceeding or terminate the proceeding by publication of a  
24 notice to that effect in the [administrative bulletin]. The agency shall file adopted rules with the  
25 [publisher] within [ ] days after the date of adoption, amendment, or repeal -of the rule.

1 (c) [With the approval of the gGovernor, an agency may obtain one extension of the  
2 period specified in subsection (b). The gGovernor, by executive order, may impose an extension  
3 of the period of [ ] days if there is a change in the rule from the rule initially proposed.]

4 (d) A rule not adopted, amended, or repealed -and filed within the time limits set by this  
5 section is void.

#### 6 COMMENT

7 This section codifies the final adoption and filing for publication requirements for  
8 rulemaking that is subject to the procedures provided in sections 304 to 308 of this Act. Section  
9 702(a) of this act requires that the agency shall file a copy of the adopted amended or repealed  
10 rule with the rules review committee at the same time it is filed with the publisher. Subsection  
11 (d) provides that a rule that is not properly adopted and filed for publication has no legal effect.  
12

#### 13 **SECTION 308. VARIANCE BETWEEN PROPOSED RULE AND ADOPTED**

14 **RULE.** An agency may not adopt or amend a rule that substantially differs from the rule  
15 proposed in the notice of proposed adoption or amendment of a rule on which the rule is based  
16 unless the rule being adopted or amended is the logical outgrowth of the rule proposed in the  
17 notice, as determined from consideration of the extent to which:

18 (1) any persons affected by the adopted or amended rule should have reasonably  
19 expected that the published proposed rule would affect the person's~~their~~ interest;

20 (2) the subject matter of the adopted or amended rule or the issues determined by that  
21 rule are different from the subject matter or issues involved in the published rule proposed to be  
22 adopted or amended; and

(3) the effects of the adopted or amended rule differs from the effects of the rule proposed to be adopted or amended~~rule had it been adopted instead.~~

### Comment

This section draws upon provisions from several states. See Mississippi Administrative Procedure Act, Miss. Code Ann. Section 25-43-3.107 and the Minn. Administrative Procedure Act, M.S.A. Section 14.05. The following cases discuss and analyze the logical outgrowth test, and this section seeks to incorporate the factors identified in those cases. These judicial opinions also convey the wide acceptance and use of the logical outgrowth test in the states. *First Am. Discount Corp. v. Commodity Futures Trading Comm'n*, 222 F.3d 1008, 1015 (D.C.Cir.2000); *Arizona [publisher]. Serv. Co. v. EPA*, 211 F.3d 1280, 1300 (D.C.Cir.2000); *American Water Works Ass'n v. EPA*, 40 F.3d 1266, 1274 (D.C.Cir.1994); *Trustees for Alaska v. Dept. Nat. Resources*, \_\_\_AK\_\_\_, 795 P.2d 805 (1990); *Sullivan v. Evergreen Health Care*, 678 N.E.2d 129 (Ind. App. 1997); *Iowa Citizen Energy Coalition v. Iowa St. Commerce Comm.* \_\_\_IA\_\_\_, 335 N.W.2d 178 (1983); *Motor Veh. Mfrs. Ass'n v. Jorling*, 152 Misc.2d 405, 577 N.Y.S.2d 346 (N.Y.Sup.,1991); *Tennessee Envir. Coun. v. Solid Waste Control Bd.*, 852 S.W.2d 893 (Tenn. App. 1992); *Workers' Comp. Comm. v. Patients Advocate*, 47 Tex. 607, 136 S.W.3d 643 (2004); *Dept. Of [publisher]. Svc. re Small Power Projects*, 161 Vt. 97, 632 A.2d 13 73 (1993); *Amer. Bankers Life Ins. Co. v. Div. of Consumer Counsel*, 220 Va. 773, 263 S.E.2d 867 (1980).

## SECTION 309. EMERGENCY RULEMAKING~~RULES~~; EXPEDITED RULEMAKING.

(a) If an agency finds that an imminent peril to the public health, safety, or welfare, including the imminent loss of federal funding for agency programs, requires the immediate adoption, amendment, or repeal of a rule and states in a record its reasons for that finding, the agency, without prior notice or hearing or upon any abbreviated notice and hearing that it finds practicable, may adopt, amend, or repeal ~~an emergency~~ rule without complying with Sections 304 to 308. The adoption amendment, or repeal ~~An emergency rule~~ may be effective for not longer than [180] days [renewable once up to [180] days]. The adoption, amendment or repeal ~~of an emergency rule~~ does not preclude adoption, amendment, or repeal of an identical rule under Sections 304 through 308. The agency shall publish ~~an emergency~~ rule not later than

1 ~~within~~ [ ] days of the adoption, amendment, or repeal under the subsection and shall personally  
2 notify persons known to the agency ~~that who~~ may be affected by the adoption, amendment, or  
3 repeal ~~emergency rule~~ [or who have requested notice].

4 (b) If an agency proposes to adopt amend, or repeal a rule and that action is expected to  
5 be noncontroversial, it may use ~~adopt~~ an expedited process ~~rule~~ in accordance with this  
6 subsection. ~~An expedited~~ rule adopted, amended, or repealed under this subsection is subject to  
7 Sections 202 and 304, and must be published in the [administrative bulletin] along with a  
8 statement by the agency setting out the reasons for using expedited rulemaking. If an objection to  
9 the use of the expedited rulemaking process is received within the public comment period from  
10 any person, the agency shall file notice of the objection with the ~~[[publisher]]~~ for publication in  
11 the [administrative bulletin] and proceed with the normal rulemaking process specified in  
12 Sections 304 to 308 ~~set out in this [article]~~, with the initial publication of the ~~expedited~~ rule  
13 serving as the notice of the proposed adoption, amendment, or repeal of a rule.

#### 14 **Comment**

15  
16 This section is taken from the 1961 MSAPA, Section 3(2)(b), and the Virginia  
17 Administrative Procedure Act, Va. Code Ann. Section 2.2-4012.1. Some state courts have  
18 indicated that *any* exemption from rulemaking requirements must be strictly construed to be  
19 limited to an emergency or virtual emergency situation.

20  
21 Subsection (a) can be used to adopt program requirements necessary to comply with  
22 federal funding requirements, or to avoid suspension of federal funds for noncompliance with  
23 program requirements.

24  
25 Subsection (b) is based upon a recommendation from the Administrative Conference of  
26 the United States. Direct final rulemaking has been recommended by the Administrative  
27 Conference of the United States [ACUS Recommendation 95-4, 60 Fed. Reg. 43110 (1995)].  
28 The study that provided the basis for the recommendation was prepared by Professor Ron Levin  
29 and has been published [Ronald M. Levin, "Direct Final Rulemaking" 64 George Washington  
30 Law Review 1 (1995)]. [However, recognizing that there may be a few other justifications for  
31 exemption, this section adopts a broader rule for matters that will be noncontroversial. Thus, a

1 situation where the agency is merely making a stylistic correction or correcting an error that the  
2 agency believes is noncontroversial may be adopted without formal rulemaking procedures. See  
3 the VA Fast-Track Rule provision at Va. Code Ann. Section 2.2-4012.1.]  
4

5 In order to prevent misuse of this procedural device, noncontroversial rule promulgation  
6 requires the consent of elected officials, and may be prevented by the requisite number of persons  
7 filing objections.  
8

## 9 **SECTION 310. GUIDANCE DOCUMENTS.**

10 (a) An agency may issue a guidance document without following the procedures set forth  
11 in sections 304 to 308. An agency may not issue a guidance document in place of a rule. A  
12 guidance document binds the agency, but is advisory to, and does not bind any other person. A-  
13 guidance documents does not have the force of law and may not prescribe the rights and duties of  
14 persons subject to agency regulation under a delegation of authority to that agency.

15 ~~(b) An agency need not follow the procedure set forth in Sections 304 through 308 to~~  
16 ~~issue a guidance document.—~~

17 ~~(c) A guidance document binds the agency, but is advisory to, and does not bind, any~~  
18 ~~other person.~~

19 ~~(b)(d)~~ A reviewing court may not give deference to a guidance document and shall  
20 determine de novo the validity of a guidance document. A reviewing court may consider whether  
21 the agency followed the guidance document and may [or must] enforce the guidance document  
22 against the agency.

23 ~~(c)(e)~~ Each agency shall publish all currently operative guidance documents and may file  
24 the guidance document with the [publisher].

25 ~~(d)(f)~~ Each agency shall maintain an index of all of its currently operative guidance  
26 documents, file the index with the [publisher] on or before January 1 of each year, make the

1 index readily available for public inspection, and make available for public inspection the full  
2 text of all guidance documents to the extent inspection is permitted by law. Upon request, an  
3 agency shall make copies of guidance indexes or guidance documents available ~~and may without~~  
4 charge, ~~at cost, or on payment of~~ a reasonable fee. If any agency does not index a guidance  
5 document, the burden of proof shall be upon the agency in any proceeding to establish that a  
6 party was not entitled to rely upon the guidance document.

7 ~~(g) A person may petition an agency to convert a guidance document into a rule pursuant~~  
8 ~~to Section 317.~~

### 9 **Comment**

10  
11 This section draws upon the provisions of the Arizona, Michigan, Virginia, and  
12 Washington Administrative Procedure Acts. See: A.R.S. § 41-1001 & A.R.S. § 41-1091;  
13 M.C.L.A. 24.203 & M.C.L.A. 24.224; Va. Code Ann. Section 2.2-4008; and WA RCWA §  
14 34.05.230.

15  
16 This section seeks to encourage an agency to advise the public of its current opinions,  
17 approaches, and likely courses of action by means of guidance documents. This section also  
18 recognizes the need for guidance documents that an agency will prepare 1) as a guide to its  
19 employees and 2) as a guide to the public. Agency law often needs interpretation, and agency  
20 discretion needs some channeling. The public needs to know the agency opinion about the  
21 meaning of the law and rules that it administers. Increasing public knowledge and understanding  
22 reduces unintentional violations and lowers transaction costs. See Michael Asimow, *California*  
23 *Underground Regulations*, 44 Admin. L. Rev. 43 (1992); Peter Strauss, *The Rulemaking*  
24 *Continuum*, 44 Duke L. J. 1463 (1992). Excusing the agency from full procedural rulemaking for  
25 guidance documents furnishes a powerful economic incentive for agencies to use these devices to  
26 inform their employees and the public.

27  
28 Many states have recognized the need for this type of exemption in their statutes. They  
29 are also referred to as interpretive statements or policy statements. These states have defined  
30 interpretive and policy statements differently from rules, and also excused agencies creating them  
31 from some or all of the procedural requirements for rulemaking. See Ala. Ala. Code Section 41-  
32 22-3(9)(c) (2000) (“memoranda, directives, manuals, or other communications which do not  
33 substantially affect the legal rights of, or procedures available to, the public.”); Colo. Colo. Rev.  
34 Stat. Section 24-4-102(15), 24-4- 103(1) (exception for interpretive rules or policy statements  
35 “which are not meant to be binding as rules”); *AMAX, Inc. v. Grand County Bd. of Equalization*,  
36 892 P.2d 409, 417 (Colo. Ct. App. 1994) (assessors’ manual is interpretive rule) (2001); Ga. Ga.

1 Code Ann., Section 50-13-4 (“Prior to the adoption, amendment, or repeal of any rule, other than  
2 interpretive rules or general statements of policy, the agency shall”) (emphasis added); Mich,  
3 M.C.L.A. 24.207(h) (excepts “A form with instructions, an interpretive statement, a guideline, an  
4 informational pamphlet, or other material that in itself does not have the force and effect of law  
5 but is merely explanatory.”). Wyoming, WY ST Section 16-3-103 (“Prior to an agency’s adoption,  
6 amendment or repeal of all rules *other than interpretative rules or statements of general policy*,  
7 the agency shall”) (emphasis added) and see *In re GP*, 679 P.2d 976, 996-97 (Wyo. 1984). See  
8 also, Michael Asimow, *Guidance Documents in the States: Toward a Safe Harbor*, 54 Admin. L.  
9 Rev. 631(2002). (Professor Asimow estimates that more than thirty states have adopted some  
10 provision for agency guidance documents such as interpretive and policy statements).

11  
12 Four states in particular have adopted detailed provision for guidance documents. They  
13 are: Arizona, Michigan, Virginia, and Washington. See: A.R.S. § 41-1001 & A.R.S. § 41-1091;  
14 M.C.L.A. 24.203 & M.C.L.A. 24.224; Va. Code Ann. Section 2.2-4008; and WA RCWA §  
15 34.05.230. Their provisions strike a balance between the need of agencies for guidance  
16 documents and the need of the public to be protected from “secret” law or law adopted without  
17 the procedural protections of rulemaking. This section seeks to strike the same balance.

18  
19 This section seeks to provide protection from abuse of guidance documents by various  
20 definitional and procedural measures. One measure not provided is a requirement of a notice on  
21 all guidance documents that informs members of the public of the right to petition the agency to  
22 convert the guidance document to a rule. Only one state, Arizona, has adopted this measure. See  
23 A.R.S. § 41-1091. Because of the numerous other protections in this section, that measure has  
24 not been included.

25  
26 The federal Administrative Procedure Act also makes a similar distinction. See 5 U.S.C.  
27 Section 553(b)(A) (1988) (Under this section “interpretative rules, general statements of policy,  
28 or rules of agency organization, procedure, or practice” are excused from normal Section 553  
29 notice and comment procedural requirements).

30  
31 Subsection (d) provides for de novo judicial review of the validity of guidance  
32 documents. Under this standard, also known as the independent judgment or the substituted  
33 judgment standard, reviewing courts considering the validity of guidance documents will not  
34 defer to the agency interpretation contained in the guidance document. Subsection (d) also  
35 contains provisions addressing reliance interests of persons who follow the provisions of agency  
36 guidance documents. If an agency fails to follow the provisions of the guidance document, the  
37 reviewing court may apply principles of equitable estoppel to preclude the agency from a change  
38 in position that causes detrimental reliance to the affected person. Equitable estoppel is generally  
39 not recognized in federal administrative law (*Office of Personnel Management v. Richmond*  
40 (1990) 496 U.S. 414) unless a due process of law fair notice standard is violated (*General*  
41 *Electric Co., v. EPA*, 53 Fed. 3d 1324 (DC Cir.1995). Equitable estoppel is more widely  
42 recognized in state administrative law (*Footes Dixie Dandy, Inc. v. McHenry*, 607 S. W. 2d 323  
43 (Ark. 1980); *Lentz v. McMahon*, 49 Cal. 3d 393, 406-407, 777 P. 2d 83 (Cal. 1989). There is a  
44 balance between encouraging or requiring agencies to issue guidance documents that provide



1 advice to members of the public and holding agencies responsible for mistaken advice that  
2 persons reasonable rely upon to their detriment.  
3

4 **SECTION 311. CONTENTS OF RULE.** Each rule filed by the agency with the  
5 [publisher] under Section 315~~adopted by an agency~~ must contain the text of the rule and be  
6 accompanied by a record containing:

- 7 (1) the date the agency adopted, amended, or repealed -the rule;  
8 (2) a statement of the purpose of the rule adopted, amended, or repealed;  
9 ~~(3) a reference to all rules repealed or amended by the rule;~~  
10 ~~(3)(4)~~ a reference to the specific statutory or other authority authorizing the action~~rule~~;  
11 ~~(45)~~ any findings required by any provision of law as a prerequisite to adoption or  
12 effectiveness of the action~~rule~~;  
13 ~~(56)~~ the effective date of the action~~rule~~;  
14 ~~(67)~~ the concise explanatory statement required by Section 312; and  
15 ~~(78)~~ the final regulatory analysis statement required by Section 305.

16 **SECTION 312. CONCISE EXPLANATORY STATEMENT.**

17 (a) At the time it adopts, amends, or repeals -a rule, an agency shall issue a concise  
18 explanatory statement containing:

- 19 (1) the agency's reasons for the action~~adopting the rule~~, which must include an  
20 explanation of the principal reasons for and against the adoption, amendment, or repeal of the  
21 rule, the agency's reasons for overruling substantial arguments and considerations made in  
22 testimony and comments, and its reasons for failing to consider any issues fairly raised in  
23 testimony and comments; and

(2) the reasons for any change between the text of the proposed rule contained in the published notice of the proposed adoption or amendment of the rule and the text of the rule as finally adopted or amended.

(b) An agency may use~~Only~~ the reasons contained in the concise explanatory statement required by subsection (a) ~~may be used by an agency~~ as justification for the adoption, ~~or amendment, or repeal~~ of the rule in any proceeding in which ~~the~~<sup>its</sup> validity of the action is at issue.

### Comment

Many states have adopted the requirement of a concise explanatory statement. Arkansas (A.C.A. Section 25-15-204) and Colorado (C.R.S.A. Section 24-4-103) have similar provisions. The federal Administrative Procedure Act uses the identical terms in Section 553 (c) (5 U.S.C.A. Section 553). This provision also requires the agency to explain why it rejected substantial arguments made in comments. Such explanation helps to encourage agency consideration of all substantial arguments and fosters perception of agency action as not arbitrary.

**SECTION 313. INCORPORATION BY REFERENCE.** ~~A rule may~~ agency may ~~adopt a rule that it~~ incorporates by reference all or any part of a code, standard, or rule that has been adopted by an agency of the United States, this state, another state, or by a nationally recognized organization or association, if:

(1) incorporation of the text of the code, standard, or rule in the rule would be unduly cumbersome, expensive, or otherwise inexpedient;

(2) the reference in the ~~agency~~ rules fully identifies the incorporated code, standard, or rule by citation, location, and date, and ~~states whether the rule includes~~<sup>must state that the rule</sup> ~~does not include~~ any later amendments or editions of the incorporated code, standard, or rule;

(3) the code, standard, or rule is readily available to the public in written or electronic

1 [format](#);

2 (4) the rule states where copies of the code, standard, or rule are available [for a](#)  
3 [reasonable charge at cost](#) from the agency [adoptingissuing](#) the rule and where copies are available  
4 from the agency of the United States, this state, another state, or the organization or association  
5 originally issuing the code, standard, or rule; and

6 (5) The agency maintains a copy of the code, standard, or rule readily available for public  
7 inspection at the agency office.

#### 8 **Comment**

9  
10 Several states have provisions that require the agencies to retain the voluminous  
11 technical codes. See, Alabama, Ala.Code 1975 Section 41-22-9; Michigan, M.C.L.A. 24.232;  
12 and North Carolina, N.C.G.S.A. § 150B-21.6. To avoid the problems created by those retention  
13 provisions, but to assure that these technical codes are available to the public, this section adopts  
14 several specific procedures. One protection is to permit incorporating by reference only codes  
15 that are readily available from the outside promulgator, and that are of limited public interest as  
16 determined by a source outside the agency. See Wisconsin, W.S.A. 227.21. These provisions  
17 will guarantee that important material drawn from other sources is available to the public, but  
18 that less important material that is freely available elsewhere does not have to be retained.  
19

20 **SECTION 314. COMPLIANCE ~~AND TIME LIMITATION~~.** [An action taken under](#)  
21 [this \[article\] including a rule adopted, amended, or repealed using the emergency process under](#)  
22 [Section 309\(a\), or the expedited process under Section 309\(b\) is not valid unless taken in ~~No rule~~](#)  
23 [adopted under this \[act\], including an emergency rule under Section 309\(a\) and an expedited rule](#)  
24 [under Section 309\(b\), is valid unless adopted in](#) substantial compliance with the procedural  
25 requirements of this [\[article\]act](#). [A proceeding to contest any rule on the ground of](#)  
26 [noncompliance with the procedural requirements of this \[act\] must be commenced within two](#)  
27 [years from the effective date of the rule.](#)

#### 28 **Comment**

1  
2 This section is a slightly modified form of the 1961 Model State Administrative  
3 Procedure Act, section (3)(c). See also section 3-113(~~ab~~) of the 1981 Model State Administrative  
4 Procedures Act. Section 504(a) governs the timing of judicial review proceedings to contest any  
5 rule on the ground of noncompliance with the procedural requirements of this [act]. The scope of  
6 challenges permitted under Section 504(a)~~this section~~ includes all applicable requirements of  
7 article 3 for the type of rule being challenged.  
8

9 **SECTION 315. FILING OF RULES.** An agency shall file in written and electronic  
10 format with the [publisher] each rule it adopts-, amends, or repeals -including ~~an emergency~~ rule  
11 adopted, amended, or repealed under Section 309(a) ~~or and an expedited rule~~ under Section  
12 309(b), and all rules existing on [the effective date of this [act]] that have not previously been  
13 filed. ~~The agency shall also file a rule under this section as an electronic record.~~ The filing must  
14 be done as soon after adoption of the rule as practical. The [publisher] shall affix to each rule  
15 and statement a certification of the time and date of filing and keep a permanent register open to  
16 public inspection of all filed rules and attached concise explanatory statements. In filing a rule,  
17 each agency shall use a standard form prescribed by the [publisher].

#### 18 **Comment**

19 This section is based on the 1961 Model State Administrative Procedure Act, Section 4(a)  
20 and its expansion in the 1981 MSAPA, Section 3-114.  
21

#### 22 **SECTION 316. EFFECTIVE DATE OF RULES.**

23 (a) Except as otherwise provided in subsection (b), (c), or (d), [unless disapproved by the  
24 [rules review committee] or [withdrawn by the agency under Section 703]~~each rule adopted~~ after  
25 [the effective date of this [act]] each rule adopted, amended, or repealed becomes effective [60]  
26 days after publication of the rule in the [administrative bulletin] [on the [publisher]'s Internet  
27 website.]

(b) The adoption, amendment, or repeal of a rule may become effective on a later date than that established by subsection (a) if the later date is required by another statute or specified in the rule.

(c) The adoption, amendment, or repeal of a rule becomes effective immediately upon its filing with the [publisher] or on any subsequent date earlier than that established by subsection (a) if it is required to be implemented by a certain date by the federal or [state] constitution, a statute, or court order.

(d) A rule adopted, amended, or repealed using the emergency process under An  
~~emergency rule adopted under~~ Section 309(a) becomes effective immediately upon filing with the [publisher].

(e) An rule adopted, amended, or repealed using the expedited process under expedited  
~~rule adopted pursuant to~~ Section 309(b) to which no objection is made becomes effective [15] days after the close of the comment period, unless the rulemaking proceeding is terminated or a later effective date is specified by the agency.

(f) A guidance document becomes effective immediately upon adoption or at a later date established by the agency.

### Comment

This is a substantially revised version of the 1961 Model State Administrative Procedure Act, Section 4 (b)&(c) and 1981 Model State Administrative Procedure Act, Section 3-115. Most of the states have adopted provisions similar to both the 1961 Model State Administrative Procedure Act and the 1981 Model State Administrative Procedure Act, although they may differ on specific time periods. Some rules may have retroactive application or effect provided that there is express statutory authority for the agency to adopt retroactive rules. See *Bowen v. Georgetown University Hospital* 488 U.S. 204 (1988).

**SECTION 317. PETITION FOR ADOPTION OF RULE.** Any person may petition

1 an agency to request the adoption, amendment, or repeal -of a rule. Each agency shall prescribe  
2 by rule the form of the petition and the procedure for its submission, consideration, and  
3 disposition. Not later than~~Within~~ [60] days after submission of a petition, the agency shall:

- 4 (1) deny the petition in a record and state its reasons for the denial;
- 5 (2) initiate rulemaking proceedings in accordance with this [act]; or
- 6 (3) adopt, amend, or repeal ~~if otherwise lawful, adopt~~ the rule.

#### 7 **Comment**

8 This section is substantially similar to the 1961 MSAPA. See also section 3-117 of the  
9 1981 MSAPA. Agency decisions that decline to adopt a rule are judicially reviewable for abuse  
10 of discretion (See Massachusetts v. EPA 127 S. Ct. 1438 (2007) (EPA decision to reject  
11 rulemaking petition and therefore not to regulate greenhouse gases associated with global  
12 warming was judicially reviewable and decision was arbitrary and capricious.).  
13

1 [ARTICLE] 4

2 ADJUDICATION IN A CONTESTED CASE

3  
4 SECTION 401. WHEN ARTICLE APPLIES; CONTESTED CASES. This [article]

5 applies to an adjudication made by an agency in a contested case. ~~If the requirements for~~  
6 ~~informal adjudication under Sections 405 and 406 or an emergency adjudication under Section~~  
7 ~~408 are met, a hearing in a contested case may be conducted following the procedures in those~~  
8 ~~sections.~~

9 Comment

10  
11 Article 4 of this Act does not apply to all adjudications but only to those adjudications,  
12 defined in Section 102 as a “contested case.” Contested case is the definition of the subset of  
13 adjudications that fall within this section because law as defined in Section 102(14) requires an  
14 evidentiary hearing to resolve particular facts or the application of law to facts. This section is  
15 subject to the exceptions in Sections 405 and 406 for informal hearing and Section 408 for  
16 emergency hearing if the requirements for those exceptions under this Article apply. If the  
17 requirements for informal adjudication under Sections 405 and 406 or an emergency adjudication  
18 under Section 408 are met, a hearing in a contested case may be conducted following the  
19 procedures in those sections. All contested cases are also subject to Section 402 of this article.

20  
21 For a statute to create a right to an evidentiary hearing, express use of the term  
22 “evidentiary hearing” is not necessary in the statute. Statutes often use terms like “appeal” or  
23 “proceeding” or “hearing”, but in context it is clear that they mean an evidentiary hearing. An  
24 evidentiary hearing is one in which the resolution of the dispute involves particular facts and the  
25 presiding officer is limited to material in the record in making his decision.

26  
27 Hearings that are required by procedural due process guarantees include life, liberty and  
28 property *interests*, which arise where a statute creates a justified expectation or legitimate  
29 entitlement. This section includes more than what were described as “rights” under older  
30 common law. In cases where the right to an evidentiary hearing is created by due process,  
31 attention is directed to Section 405(2)D *infra*, which may permit an informal hearing.

32  
33 Section 401, governing contested case hearings, does not apply to investigatory hearings,  
34 a hearing that merely seeks public input or comment, pure administrative process proceedings  
35 such as tests, elections, or inspections, and situations in which a party has a right to a de novo  
36 administrative or judicial hearing. An agency may by rule make all or part of article 4 applicable

1 to adjudication that does not fall within the requirements of Section 401, including hearing rights  
2 conferred by agency regulations, or on the record appeals. This section does not apply to an  
3 investigatory hearing, or a hearing that merely seeks public input or comment. Also, this section  
4 is not applicable to the situation where a party is entitled to a de novo administrative or judicial  
5 hearing. An agency may by rule make all or part of this article applicable to adjudication that  
6 does not fall within requirements of this section.

7  
8 This section draws upon the California, (see Cal. Cal.Gov.Code Section 11410.10);  
9 Minnesota, (see Minnesota Statutes Annotated, Section 14.02, subd. 3; Washington (see Revised  
10 Code of Washington, 34.05.413(2) and Kansas (see Kansas Stat. Ann., KS ST Section 77-502(d)  
11 & Kansas Stat. Ann., KS ST Section 77-503). ~~The definition of disputed case used in this Act is~~  
12 ~~similar to, but broader than, the definition of contested case in the 1961 MSAPA, Section 1(2).~~  
13

## 14 **SECTION 402. PRESIDING OFFICERS.**

15 (a) In a contested case, the presiding officer shall manage the proceeding ~~regulate the~~  
16 ~~hearing~~ in a manner that will promote an fair, just, orderly and prompt resolution.

17 (b) The presiding officer shall be the agency head, one or more members of the agency  
18 head that is a body of individuals [, in the discretion of the agency head, one or more  
19 administrative law judges assigned by the office in accordance with Section 602,] or, unless  
20 prohibited by law, one or more persons designated by the agency head .

21 (c) An individual who has served as investigator, prosecutor, or advocate at any stage in  
22 a disputed case may not serve as a presiding officer or assist or advise any presiding officer in the  
23 same proceeding.

24 (d) An individual who is subject to the authority, direction, or discretion of an individual  
25 who has served as [investigator,] prosecutor [,] or advocate at any stage in a disputed case,  
26 including investigation, may not serve as presiding officer or assist or advise a presiding officer  
27 in the same proceeding.

28 (e) A presiding officer is subject to disqualification for bias, prejudice, financial interest,



1 or any other cause for which a judge is or may be disqualified. A presiding officer, after making a  
2 reasonable inquiry, shall disclose to all parties any known facts that a reasonable person would  
3 consider likely to affect the impartiality of the presiding officer in the contested case proceeding,  
4 including:

5 (1) a financial or personal interest in the outcome of the contested case  
6 proceeding; and

7 (2) an existing or past relationship with any of the parties to the contested case  
8 proceeding, their counsel or representatives, or a witness.

9 (f) Any party may petition for the disqualification of a presiding officer promptly after  
10 receipt of notice indicating that the person will preside, or promptly upon discovering facts  
11 establishing grounds for disqualification, whichever is later. The party requesting the  
12 disqualification of the presiding officer must file a petition that states with particularity the  
13 grounds upon which it is claimed that a fair and impartial hearing cannot be accorded, or the  
14 applicable rule or canon of practice or ethics that requires disqualification. If grounds for  
15 disqualification are discovered at a time later than the beginning of the taking of evidence, a party  
16 must request disqualification promptly after discovery. The petition may be denied if the party  
17 fails to exercise due diligence in requesting disqualification after discovering grounds for  
18 disqualification.

19 (g) A presiding officer whose disqualification is requested [or the appointing authority,  
20 or the Chief Administrative Law Judge] shall determine whether to grant the petition and state  
21 facts and reasons for the determination in writing. A determination to disqualify a presiding  
22 officer is not immediately subject to judicial review.

1 (h) If a substitute presiding officer is required, the substitute must be appointed [as  
2 required by law, or if no law governs then] by:

3 (1) the Governor, if the original presiding officer is an elected official; or

4 (2) the appointing authority, if the original presiding officer is an appointed  
5 official.

6 (i) The provisions of this section governing disqualification of a presiding officer also  
7 govern disqualification of the agency head or other person or body to which the power to hear or  
8 decide in the proceeding is delegated.

9 (j) If required by law to participate in the hearing or decision of a contested case, an  
10 agency head may continue to participate notwithstanding grounds for disqualification.

#### 11 **Comment**

12 Subsection (b) governs who may be appointed to serve as a presiding officer in a disputed  
13 case. If the case is heard by more than one presiding officer, as when the agency head hears a  
14 disputed case en banc, one member of the agency head may serve as chair, but all of the persons  
15 sitting as judge in the case are collectively the presiding officer.

16  
17 Subsection (b) confers a limited amount of discretion upon the agency head to determine  
18 who will preside. The presiding officer may be either the agency head, or one or more members  
19 of the agency head, or one or more administrative law judges assigned by the Office of  
20 Administrative Hearings in accordance with Section 603. Without the bracketed language,  
21 subsection (b) resembles the law in a group of states that have created a central panel of  
22 administrative law judges, and have made the use of administrative law judges from the central  
23 panel mandatory unless the agency head or one or more members of the agency head presides. In  
24 some states, however, the use of central panel administrative law judges is mandatory only in  
25 certain enumerated agencies or types of proceedings. If the bracketed language is adopted, the  
26 agency head, in addition to the preceding options for appointment and unless prohibited by law,  
27 may designate any one or more “other persons” to serve as presiding officer. This discretion is  
28 subject to subsections (c) & (d) on separation of functions. This discretion is also limited by the  
29 phrase “unless prohibited by law,” included in the bracketed language, which prevents the use of  
30 “other persons” as presiding officers to the extent that the other state law prohibits their use.  
31 Thus, if this language is adopted by a state that has an existing central panel of administrative  
32 law judges whose use is mandatory in enumerated types of proceedings, the agencies must  
33 continue to use the central panel for those proceedings, but may exercise their option to use

1 “other persons” for other types of proceedings.

2  
3 Subsection (e) is based upon 1981 MSAPA Section 4-202(b). See also California  
4 Government Code Section 11425.40(a). Disclosure duties under subsection (e) are based on state  
5 ethics codes governing ethical standards for judges in the judicial branch of the government,  
6 Section 12 of the 2000 Uniform Arbitration Act, and on state law governing the ethical  
7 responsibilities of government officials and employees. See Section 410.

8  
9 Subsection (f) is based on 1981 MSAPA Section 4-202(c).

10  
11 Subsection (i) is based on California Government Code Section 11425.40(c).

12  
13 Subsection (j) adopts the rule of necessity for decision makers. See California  
14 Government Code Section 11512(c) (agency member not disqualified if loss of a quorum would  
15 result); *United States v. Will* (1980) 449 U.S. 200 (common law rule of necessity applied to U.S.  
16 Supreme Court to decide issues before the court relating to compensation all Article III judges).

### 17 18 **SECTION 403. CONTESTED CASE PROCEDURE.**

19 (a) Except for emergency adjudications and except as otherwise provided in Section 406,  
20 this section applies to contested cases.

21 (b) Except as otherwise provided in Section 408(c), an agency shall give to the person to  
22 which an agency action is directed notice that is consistent with Section 404.

23 (c) An agency shall make available to the person to which an agency action is directed a  
24 copy of the agency procedures governing the case.

25 (d) The following rules apply in a contested case:

26 (1) Upon proper objection, the presiding officer [must] [ may] exclude evidence  
27 that is immaterial, irrelevant, unduly repetitious, or excludable on constitutional, or statutory  
28 grounds or on the basis of an evidentiary privilege recognized in the courts of this state. The  
29 presiding officer may exclude evidence that is objectionable under the applicable rules of  
30 evidence. Evidence may not be excluded solely because it is hearsay. Hearsay evidence may be

1 used for the purpose of supplementing or explaining other evidence except that on timely  
2 objection it may not be sufficient in itself to support a finding unless it would be admissible over  
3 objection in a civil action. [Hearsay evidence may be sufficient to support fact findings if that  
4 evidence constitutes reliable, probative, and substantial evidence].

5 (2) An objection must be made at the time the evidence is offered. In the absence of an  
6 objection, the presiding officer may exclude evidence at the time it is offered. A party may make  
7 an offer of proof when evidence is objected to, or prior to the presiding officer's decision to  
8 exclude evidence."

9  
10 (3) Any part of the evidence may be received in written form, if doing so will  
11 expedite the hearing without substantial prejudice to the interests of a party. Documentary  
12 evidence may be received in the form of copies or excerpts or by incorporation by reference.

13 (4) All evidence must be made part of the hearing record of the case including, if  
14 the agency desires to avail itself of information or if it is offered into evidence by a party, records  
15 in the possession of the agency which contain information that is not a public record. No factual  
16 information or evidence may be considered in the determination of the case unless it is part of the  
17 agency hearing record. If the agency hearing record contains information that is not public, the  
18 presiding officer may conduct a closed hearing to discuss the information, issue necessary  
19 protective orders, and seal all or part of the hearing record.

20 (5) The presiding officer may take official notice of all facts of which judicial  
21 notice may be taken and of other scientific and technical facts within the specialized knowledge  
22 of the agency. Parties must be notified at the earliest practicable time, either before or during the

1 hearing, or by reference in preliminary reports, preliminary decisions or otherwise, of the facts  
2 proposed to be noticed and their source, including any staff memoranda or data. The parties must  
3 be afforded an opportunity to contest any officially noticed facts before the decision is  
4 announced.

5 (6) The experience, technical competence, and specialized knowledge of the  
6 presiding officer may be used in the evaluation of the evidence in the agency hearing record.

7 (7) The presiding officer is not responsible to or subject to the supervision,  
8 direction, or direct or indirect influence of an officer, employee, or agent of an agency other than  
9 the [office of administrative hearings] engaged in the performance of investigatory, prosecutorial,  
10 or advisory functions for an agency.

11 (e) Except for informal hearings under Sections 405 and 406 and emergency hearings  
12 under Section 408, in a disputed case, the presiding officer, at appropriate stages of the  
13 proceedings, shall give all parties the opportunity to file pleadings, motions, and objections in a  
14 timely manner. The presiding officer, at appropriate stages of the proceeding, may give all parties  
15 full opportunity to file briefs, proposed findings of fact and conclusions of law, and proposed,  
16 recommended, or final orders. If records are submitted, the original record must be filed with the  
17 agency and copies of all filings shall be sent to all parties. The presiding officer may, with the  
18 consent of all parties, refer the parties in a contested case proceeding to mediation or other  
19 dispute resolution procedure.

20 (f) Except for informal hearings under Sections 405 and 406 and emergency hearings  
21 under Section 408, in a disputed case, to the extent necessary for full disclosure of all relevant  
22 facts and issues, the presiding officer shall afford to all parties the opportunity to respond, present

1 evidence and argument, conduct cross-examination, and submit rebuttal evidence.

2 (g) If all parties consent and, to the extent allowed by law, if each party to a hearing has  
3 an opportunity to hear, speak, and be heard in the proceeding as it occurs, the presiding officer  
4 may conduct all, or part of, an evidentiary hearing, or a prehearing conference, by telephone,  
5 television, video conference, or other electronic means.

6 (h) All testimony of parties and witnesses must be given under oath or affirmation and  
7 the presiding officer may administer an oath or affirmation for that purpose.

8 (i) A hearing in a contested case is open to the public, except for a hearing or part of a  
9 hearing that the presiding officer closes on the same basis and for the same reasons that a court of  
10 this state may close a hearing or closes pursuant to a statutory provision other than this [act] that  
11 authorizes closure. To the extent that a hearing is conducted by telephone, television, video  
12 conference, or other electronic means, and is not closed, a hearing is open if members of the  
13 public have an opportunity, at reasonable times, to hear or inspect the agency's record, and to  
14 inspect any transcript obtained by the agency.

15 (j) Unless prohibited by law other than this [act], at the party's expense, any party may be  
16 represented by counsel or may be advised, accompanied, or represented by another individual.

17 (k) Any party may represent themselves in a contested case, and the presiding officer may  
18 accommodate a pro se party's unfamiliarity with agency contested case procedures by explaining  
19 those procedures to the pro se party to the extent consistent with [fair hearing] [impartial decision  
20 maker] requirements

21 (l) The decision in a contested case must be written, based on the agency hearing record,  
22 and include a statement of the factual and legal bases of the decision.

1 (m) This section applies to agency procedure in contested cases without further action by  
2 the agency, and prevails over a conflicting or inconsistent provision of the agency's rules.

3 (n) The rules by which an agency conducts a contested case may include provisions more  
4 protective of the rights of the person to which the agency action is directed than the requirements  
5 of this section.

6 (o) Agencies must train new presiding officers in contested case procedures and in the  
7 rules of evidence applicable to contested case proceedings.

### 8 **Comment**

9  
10 This section specifies the minimum hearing requirements that must be met in disputed  
11 cases under this act. This section applies to all agencies whether or not an agency rule provides  
12 for a different procedure; this procedure is excused only if a statute expressly provides otherwise.  
13 This section does not prevent an agency from adopting more stringent procedures than those in  
14 this section. This section does not supersede conflicting state or federal statutes.

15  
16 There are several interrelated purposes for this procedural provision: 1) to create a  
17 minimum fair hearing procedure; and 2) to attempt to make that minimum procedure applicable  
18 to all agencies. In many states, individual agencies have lobbied the legislature to remove various  
19 requirements of the state Administrative Procedure Act from them. The result in a considerable  
20 number of states is a multitude of divergent agency procedures. This lack of procedural  
21 uniformity creates problems for litigants, the bar and the reviewing courts. This section attempts  
22 to provide a minimum, universally applicable procedure in all disputed cases. The important goal  
23 of this section is to protect citizens by a guarantee of minimum fair procedural protections. The  
24 procedures required here are only for actions that fit the definition of a disputed case and fall  
25 within the provisions of Section 401. Thus, they do not spread quasi judicial procedures widely,  
26 and do not create any significant agency loss of efficiency or increased cost.

27  
28 This section is modeled in part on the Arizona Regulatory Bill of Rights, see A.R.S.  
29 Section 41-1001.01 and the California Administrative Adjudication Bill of Rights, see West  
30 Ann.Cal.Gov.Code Section 11425.10.

31  
32 Under subsection (c), agency procedures governing the case refers to rules of practice  
33 adopted under Section 202, or default procedural rules adopted under Section 204, or procedures  
34 required under the agency governing statute.

35  
36 Under subsection (d)(1) evidence is unduly repetitious if its probative value is  
37 substantially outweighed by the probability that its admission will necessitate undue consumption

1 of time. In most states a presiding officer's determination that evidence is unduly repetitious may  
2 be overturned only for abuse of discretion. Under subsection (d)(1), the legal residuum rule is not  
3 adopted and hearsay evidence can be sufficient to support fact findings if the hearsay evidence is  
4 sufficiently reliable. This provision is based on the federal A.P.A. provision, 5 U.S.C. Section  
5 556 (d), *Richardson v. Perales*, (1971) 402 U.S. 389 and the 1981 MSAPA Section 4-215(d).  
6 (reasonably prudent person standard for reliability).

7  
8 Subsection (d)(4) information that is not a public record means information not subject to  
9 disclosure under the applicable public records act in the jurisdiction.

10  
11 Subsection (d)(5) is based on 1981 MSAPA Section 4-212(f). See also California  
12 Government Code Section 11515, and 1961 MSAPA Section 10(4).

13  
14 Subsection (d)(6) is based on 1981 MSAPA Section 4-215(d). See also California  
15 Government Code Section 11425.50(c) which contains the same language.

16  
17 Under subsection (g) hearings in contested cases can be conducted using the telephone,  
18 television, video conferences, or other electronic means. Subsection (g) is based in part on  
19 California Government Code Section 11440.30. Due process of law may require live in person  
20 hearings. See *Whiteside v. State*, (2001) 20 P. 3d 1130 (Supreme Court of Alaska) (due process  
21 of law violated with telephone hearing in driver's license revocation hearing when driver's  
22 credibility was material to the hearing, and the driver was not offered an in person hearing); But  
23 see *Bancroft v. Employment Division* (1985) 72 Or. App. 486, 696 P. 2d 19, 21 (telephone  
24 hearings do not violate due process of law in hearings in which the credibility of a party is at  
25 issue because audible indicia of a witness's demeanor are sufficient for credibility).

26  
27 Subsection (k) provides for a right of self representation for parties in contested case  
28 proceedings. Subsection (k) also allows presiding officers to accommodate pro se litigant's  
29 unfamiliarity with agency procedures in contested cases by explaining those procedures to the  
30 pro se litigant to the extent consistent with fair hearing and impartial decision maker  
31 requirements. *Goldberg v. Kelley* (1970) 397 U.S. 254 (impartial decision-making is essential to  
32 due process of law). The fair hearing limits would be exceeded if the presiding officer violated  
33 impartial decision maker requirements by improperly assisting one party in presenting that  
34 parties case at the hearing.

35  
36 The subsection (l) written decision requirement is based in part on 1961 MSAPA Section  
37 12, and on 1981 MSAPA Section 4-215(g). See also California Government Code Section  
38 11425.50. See also sections 801, and 802, electronic publication of written decisions, and the  
39 provisions of 15 U.S.C. Section 7004.

40  
41 Under subsection (o), training of new presiding officers in contested case procedures is  
42 important to the quality of adjudication. Training of non lawyer presiding officer is especially  
43 important because of relative lack of familiarity with adjudication procedures compared to  
44 lawyer presiding officers.



1  
2 Section 10 of the 1961 MSAPA contained many similar provisions.  
3

4 **SECTION 404. NOTICE.**

5 (a) Except for an emergency adjudication under Section 408, an agency shall give  
6 reasonable notice of the right to an evidentiary hearing in a contested case.

7 (b) In case of applications or petitions submitted by persons other than the agency, within  
8 a reasonable time after filing, the agency shall give notice to all parties that an action has been  
9 commenced. The notice must include:

10 (1) the official file or other reference number, the name of the proceeding, and a  
11 general description of the subject matter;

12 (2) the name, official title, mailing address [e-mail address] [facsimile address]  
13 and telephone number of the presiding officer;

14 (3) a statement of the time, place, and nature of the prehearing conference or  
15 hearing, if any;

16 (4) [the name, official title, mailing address, and telephone number of any  
17 attorney or employee who has been designated to represent the agency]; and

18 (5) any other matter that the presiding officer considers desirable to expedite the  
19 proceedings.

20 (c) In actions initiated by the agency that may or will result in an order, the agency shall  
21 give an initial notice to the party or parties against which the action is brought by personal  
22 service in a manner appropriate under the rules of civil procedure for the service of process in a  
23 civil action in this state which includes:

1 (1) notification that an action that may result in an order has been commenced  
2 against them;

3 (2) a short and plain statement of the matters asserted, including the issues  
4 involved;

5 (3) a statement of the legal authority and jurisdiction under which the hearing is  
6 held that includes identification of the statutory sections involved;

7 (4) the official file or other reference number, the name of the proceeding, and a  
8 general description of the subject matter;

9 (5) the name, official title, mailing address, [e-mail address,] [facsimile address,]  
10 and telephone number of the presiding officer or, if no officer has been appointed at the time the  
11 notice is given, the name, official title, mailing address, [e-mail address,] [facsimile address,] and  
12 telephone number of any attorney or employee designated to represent the agency;

13 (6) a statement that a party who fails to attend or participate in any subsequent  
14 proceeding in a contested case may be held in default;

15 (7) a statement that the party served may request a hearing and instructions in  
16 plain language about how to request a hearing; and

17 (8) the names and last known addresses of all parties and other persons to which  
18 notice is being given by the agency.

19 (d) When a prehearing meeting or conference is scheduled, the agency shall give parties  
20 notice at least 14 days before the hearing that contains the information contained in subsection  
21 (c).

22 (e) Notice may include other matters that the presiding officer considers desirable to

1 expedite the proceedings.

2 **Comment**

3  
4 This section is taken from: the 1961 Model State Administrative Procedure Act, section 9  
5 and the 1981 Model State Administrative Procedure Act, Section 4-206. See also; Oregon,  
6 O.R.S. Section 183.415; Kansas, K.S.A. Section 77-518; Iowa, I.C.A. Section 17A.12; Montana,  
7 MCA 2-4-601; and Michigan, M.C.L.A. 24.271.  
8

9 **SECTION 405. INFORMAL ADJUDICATION IN CONTESTED CASES.** Unless  
10 prohibited by law other than this [act], an agency may use an informal hearing procedure in a  
11 contested case if:

12 (1) there is no disputed issue of material fact; or

13 (2) the matter at issue is limited to any of the following:

14 (A) a monetary amount of not more than [one thousand dollars (\$1,000)] whether  
15 liquidated in a sum certain or as periodic payments over no more than [12] months;

16 (B) a disciplinary sanction against a student that does not involve expulsion from  
17 an academic institution or suspension for more than 10 days or a disciplinary sanction against an  
18 employee that does not involve discharge from employment, demotion, or suspension for more  
19 than five days;

20 (C) a disciplinary sanction against a licensee that does not involve revocation of  
21 a license or suspension of a license for more than five days;

22 (D) a proceeding where the federal or state constitution requires an evidentiary  
23 hearing, but the federal or state constitution does not require an agency to follow the adjudication  
24 procedures of Section 403; or

25 (E) the parties by written agreement consent to an informal hearing.

1 **Comment**

2  
3 The informal hearing procedure is intended to satisfy due process and public policy  
4 requirements in a manner that is simpler and more expeditious than formal adjudication. The  
5 informal hearing procedure provides a forum in the nature of a conference in which a party has  
6 an opportunity to be heard by the presiding officer. The informal hearing procedure provides a  
7 forum that may accommodate a hearing where by rule or statute a member of the public may  
8 participate without appearing or intervening as a party.  
9

10 This section adopts a single category of informal procedure that an agency may use to  
11 perform the same functions, and the following section leaves to the discretion of the presiding  
12 officer the exact hearing procedure to be followed. This section also draws upon the California  
13 provision for an informal procedure, see Ann.Cal.Gov.Code SECTION 11445.20.  
14

15 Subsection 2(D) is intended to deal with the situation that arises in federal constitutional  
16 law where the constitution protects a life, liberty or property interest, but, under the holding of  
17 Mathews v. Eldridge, 424 U.S. 319, 96 S.Ct. 893 (1976) do not require all the protections of a  
18 formal hearing. See Goss v. Lopez, (1975) 419 U.S. 565, 581-582 (informal due process hearing  
19 for school suspension of ten days or less), and Cleveland Board of Education v. Loudermill  
20 (1985) 472 U.S. 532.  
21

22 **SECTION 406. INFORMAL ADJUDICATION PROCEDURE.**

23 (a) Except as otherwise provided in subsection (b), the adjudication procedures required  
24 under Section 403 apply to an informal adjudication.

25 (b) In an informal adjudication, the presiding officer shall regulate the course of the  
26 proceeding consistent with the due process requirement of meaningful opportunity to be heard.  
27 The presiding officer shall permit the parties and their representatives, and may permit others, to  
28 offer written or oral comments on the issues. The presiding officer may limit the use of  
29 witnesses, testimony, evidence, cross-examination, and argument and may limit or eliminate the  
30 use of pleadings, intervention, discovery, prehearing conferences, and rebuttal. Where  
31 appropriate in the discretion of the presiding officer, an informal adjudication may be in the  
32 nature of a conference.

1 (c) In regulating the course of the informal adjudication proceedings, the presiding  
2 officer shall recognize the rights of the parties:

3 (1) to notice that includes the decision to proceed by informal adjudication;

4 (2) to protest the choice of informal procedure, and to have that protest promptly  
5 decided by the presiding officer;

6 (3) to participate in person or by a representative;

7 (4) to have notice of any contrary factual material in the possession of the agency  
8 that may be relied on as the basis for adverse decision; and

9 (5) to be informed briefly, in writing, of the basis for an adverse decision in the  
10 case.

11 (d) The agency record for review of informal adjudication consists of the official  
12 transcript of oral testimony and any records that were considered by, prepared by, or submitted to  
13 the presiding officer for use in the informal adjudication, or that are submitted by or to the  
14 agency on review. The agency shall maintain these records as its record of the informal  
15 adjudication.

### 16 **Comment**

17  
18 This section draws on the informal adjudication provisions of several state Administrative  
19 Procedure Acts. See: California Administrative Procedure Act, West's Ann.Cal.Gov.Code  
20 SECTION 11445.40; Va. Administrative Procedure Act, Section 2.2-4019, Va. Code Ann. § 2.2-  
21 4019; and Washington Administrative Procedure Act, Section 34.05.485, West's RCWA §  
22 34.05.485. Under this section, the informal adjudication procedure is a simplified form of an  
23 adjudication under the control of the presiding officer. The informal hearing may be in the  
24 nature of a conference at the discretion of the presiding officer. Although the hearing is  
25 streamlined and informal, the hearing officer must observe basic protections of fairness spelled  
26 out in subsection (c) and protections described in Mathews v. Eldridge, 424 U.S. 319, 96 S.Ct.  
27 893 (1976). . See Goss v. Lopez, (1975) 419 U.S. 565, 581-582 (informal due process hearing for  
28 school suspension of ten days or less), and Cleveland Board of Education v. Loudermill (1985)  
29 472 U.S. 532. [Subsection \(d\) includes as part of the record an official transcript of oral](#)

1 testimony. Oral testimony can be recorded using any reliable method including audiotapes.  
2 Stenographic transcripts prepared by a certified shorthand reporter are not required by this  
3 subsection.  
4  
5 \_\_\_\_\_  
6

7 **SECTION 407. AGENCY HEARING RECORD IN CONTESTED CASE.**

8 (a) An agency shall maintain an official hearing record in each contested case.

9 (b) The agency hearing record consists of:

- 10 (1) notices of all proceedings;
- 11 (2) any pre-hearing order;
- 12 (3) any motions, pleadings, briefs, petitions, requests, and intermediate rulings;
- 13 (4) evidence received or considered;
- 14 (5) a statement of matters judicially noticed;
- 15 (6) proffers of proof and objections and rulings thereon;
- 16 (7) proposed findings, requested orders, and exceptions;
- 17 (8) the record prepared for the presiding officer at the hearing, and any transcript  
18 of all or part of the hearing considered before final disposition of the proceeding;
- 19 (9) any final order, recommended decision, or order on reconsideration;
- 20 (10) all memoranda, data, or testimony prepared under Section 409; and
- 21 (11) matters placed on the record after an ex parte communication.

22 (c) Except to the extent that law other than this [act] provides otherwise, the agency  
23 hearing record constitutes the exclusive basis for agency action in a disputed case and for judicial  
24 review of the case.

1           **SECTION 408. EMERGENCY ADJUDICATION PROCEDURE.**

2           (a) Unless prohibited by law other than this [act], an agency may conduct an emergency  
3 adjudication in a contested case under the procedure provided in this section.

4           (b) An agency may issue an order under this section only to deal with an immediate  
5 danger to the public health, safety, or welfare. The agency may take only action that is necessary  
6 to deal with the immediate danger to the public health, safety, or welfare. The emergency action  
7 must be limited to interim relief.

8           (c) Before issuing an order under this section, the agency, if practicable, shall give notice  
9 and an opportunity to be heard to the person to which the agency action is directed. The notice  
10 and hearing may be oral or written and may be communicated by telephone, facsimile, or other  
11 electronic means. The hearing may be conducted in the same manner as an informal hearing  
12 under this [article].

13           (d) Any order issued under this section must contain an explanation that briefly explains  
14 the factual and legal ~~reasons~~basis for making the decision using the procedures provided by this  
15 Section of the Act~~the emergency decision~~.

16           (e) An agency shall give notice of an order to the extent practicable to the person to  
17 which the agency action is directed. The order is effective when issued.

18           (f) After issuing an order pursuant to this section, an agency shall proceed as soon as  
19 feasible to conduct an adjudication following contested case procedure under Section 403 or, if  
20 appropriate under this [article], informal adjudication under Sections 405 and 406, in order to  
21 resolve the issues underlying the temporary, interim relief.

22           (g) The agency record in an emergency adjudication consists of any testimony or records

1 concerning the matter that were considered or prepared by the agency. The agency shall maintain  
2 those records as its official record.

3 (h) On issuance of an order under this section, the person against which the agency  
4 action is directed may obtain judicial review without exhausting administrative remedies.

### 5 **Comment**

6  
7 The procedure of this section is intended permit immediate agency emergency  
8 adjudication, but also to provide minimal protections to parties against whom such action is  
9 taken. Emergencies regularly occur that immediately threaten public health, safety or welfare:  
10 licensed health professionals may endanger the public; developers may act rapidly in violation of  
11 law; or restaurants may create a public health hazard. In such cases the agencies must possess  
12 the power to act rapidly to curb the threat to the public. On the other hand, when the agency acts  
13 in such a situation, there should be some modicum of fairness, and the standards for invoking  
14 such remedy must be clear, so that the emergency label may be used only in situations where it  
15 fairly can be asserted that rapid action is necessary to protect the public.

16  
17 Federal and state case law have held that in an emergency situation an agency may act  
18 rapidly and postpone any formal hearing without violation, respectively, of federal or state  
19 constitutional law. *FDIC v. Mallen*, 486 U.S. 230 (1988); *Gilbert v. Homar* (1997) 520 U.S.  
20 924; *Dep't of Agric. v. Yanes*, 755 P.2d 611 (OK. 1987).

21  
22 The generic provision in this section has several advantages over the present divergent  
23 approaches to emergency agency action. First, all agencies have the needed power to act without  
24 delay, but there is provision for some type of brief hearing, if feasible. Second, this article limits  
25 the agency to action of this type only in a genuine, defined emergency. Third, there are pre and  
26 post deprivation protections. This section seeks to strike an appropriate balance between public  
27 need and private fairness.

28  
29 This section does not apply to an emergency adjudication, cease and desist order, or other  
30 action in the nature of emergency relief issued pursuant to express statutory authority arising  
31 outside of this act.  
32

### 33 **SECTION 409. EX PARTE COMMUNICATIONS.**

34 (a) Except as otherwise provided in subsections (b) and (c), while a contested case is  
35 pending, the presiding officer may not make to or receive from any person any communication  
36 regarding any issue in the proceeding [or relevant to the merits of the proceeding] without notice



1 and opportunity for all parties to participate in the communication. For the purpose of this  
2 section, a proceeding is pending from the issuance of the agency's pleading, or from an  
3 application for an agency decision, whichever is earlier.

4 (b) The presiding officer may make communications to or receive communications from a  
5 law clerk or a person authorized by law to provide legal advice to the agency or may  
6 communicate on ministerial matters with a person who serves on the personal staff of the  
7 presiding officer if the person providing legal advice or ministerial information has not served as  
8 investigator, prosecutor, or advocate at any stage of the proceeding;

9 (c) An employee or representative may make communications to or receive  
10 communications from an agency head sitting as presiding officer if:

11 (1) the communications consist of an explanation of the technical or scientific  
12 basis of, or technical or scientific terms in, the evidence in the agency hearing record; and

13 (2) the employee or representative giving the technical explanation has not served  
14 as investigator, prosecutor, or advocate at any stage of the proceeding;

15 (3) the employee or representative giving the technical explanation does not  
16 receive communications that the agency head is prohibited from receiving; and

17 (4) the technical or scientific term on which explanation is sought is not a  
18 contested issue or an issue whose application is central to the decision in the case.

19 (d) If the presiding officer receives advice under subsection (c), the advice, if written,  
20 must be made part of the agency hearing record. If the advice is oral, a memorandum containing  
21 the substance of the advice must be made part of the record and the parties must be notified of  
22 the communication. The parties may respond to the advice of an employee or representative of

1 the agency in a record that is made part of the hearing record.

2 (e) If a presiding officer makes or receives a communication in violation of this section, if  
3 the communication is:

4 (1) written, the presiding officer shall make the communication a part of the  
5 hearing record and prepare and make part of the record a memorandum that contains the response  
6 of the presiding officer to the communication and the identity of the parties who communicated;  
7 or

8 (2) oral, the presiding officer must prepare a memorandum that contains the  
9 substance of the verbal communication, the response of the presiding officer, and the identity of  
10 the parties who communicated.

11 (f) If a communication prohibited by this section is made, the presiding officer shall  
12 notify all parties of the prohibited communication and permit parties to respond in writing within  
13 15 days. Upon good cause shown, the presiding officer may permit additional testimony in  
14 response to the prohibited communication.

15 (g) While a proceeding is pending, there may be no communication, direct or indirect,  
16 regarding the merits of any issue in the proceeding between the presiding officer and the agency  
17 head or other person or body to which the power to hear or decide in the proceeding is delegated.

18 When the presiding officer is a member of an agency head that is a body of persons, the  
19 presiding officer may communicate with the other members of the agency head.

20 (h) If necessary to eliminate the effect of a communication received in violation of this  
21 section, a presiding officer may be disqualified, the portions of the record pertaining to the  
22 communication may be sealed by protective order, or other appropriate relief may be granted

1 including dismissal of the application or other adverse ruling on the merits as a sanction.

## 2 **Comment**

3  
4 This section is not intended to be applied to communications made by or to a presiding  
5 officer or personal staff assistant regarding noncontroversial practice and procedure matters such  
6 as number of pleadings, number of copies or type of service. Communications related to  
7 contested procedural issues or motions are covered by Section 409(a). Other communications not  
8 on the merits but related to security or to the credibility of a party or witness are covered by  
9 Section 409(a). See *Matthew Zaheri Corp., Inc. v. New Motor Vehicle Board* (1997) 55 Cal.  
10 App. 4<sup>th</sup> 1305. However, this section goes further in permitting advice to the presiding officer  
11 from staff members on complex technical and scientific matters, but permits parties to reply to  
12 those staff communications.

13  
14 This section also provides another remedy besides disclosure and party reply. In a case  
15 where disclosure and reply are inadequate to cure or eliminate the effect of the ex parte contact, a  
16 protective order may be issued. The intent of authorizing the protective order is to keep the ex  
17 parte material from the successor presiding officer.

18  
19 This section draws in part from the systematic California provisions on ex parte contacts.  
20 See West's Ann.Cal.Gov.Code Section 11430.10 to 11430.80. The California sections address  
21 many of the problems that arise in this area, and attempt to distinguish technical, advisory  
22 contacts from agency staff to presiding officers or agency heads from other kinds of party  
23 contacts.

## 24 25 **SECTION 410. ADMINISTRATIVE ADJUDICATION CODE OF ETHICS.**

26 (a) Except as otherwise provided in subsection (b), the [code of judicial ethics] applicable  
27 to the conduct of judges [in the judicial branch in this state] governs the hearing and other  
28 conduct of an administrative law judge or other presiding officer adjudicating a contested case.

29 Or [Except as otherwise provided in subsection (b), the administrative law judge code of ethics  
30 adopted in the state governs the hearing and other conduct of an administrative law judge or  
31 other presiding officer adjudicating a contested case.]

32  
33 (b) Section 409 governs the standards for ex parte communication. Section 402 governs

1 disqualification of presiding officers. Restrictions on financial interests, political activity or on  
2 accepting honoraria, gifts, or travel are governed by state law other than the [code of judicial  
3 ethics].

#### 4 **Comment**

5  
6 Section 410 is based on the provisions of the California A.P.A. California Government  
7 Code Sections 11475 to 11475.70 (Administrative Adjudication Code of Ethics). This section  
8 applies to administrative law judges the provisions of the Code of Judicial Ethics applicable to  
9 judges in the judicial branch in the state, with exceptions as noted. Some of the exceptions are  
10 based on provisions of this act. Other exceptions are based on state statutes governing the ethical  
11 responsibilities of government officials and employees. Section 410 provides applicable law to  
12 govern disqualification of presiding officers under Section 402(e).  
13

#### 14 **SECTION 411. INTERVENTION.**

15 (a) A presiding officer shall grant a petition for intervention in a contested case if:

16 (1) the petitioner has a statutory right to initiate the proceeding in which  
17 intervention is sought.

18 (2) the petitioner has an interest that will or may be adversely affected by the  
19 outcome of the proceeding and that interest is not adequately represented by existing parties.

20 (b) A presiding office may grant a petition for intervention when the petitioner has a  
21 conditional statutory right to intervene, or when the petitioner's claim or defense is based on the  
22 same transaction or occurrence as the contested case.

23 (c) When intervention is granted or at any subsequent time, the presiding officer may  
24 impose conditions upon the intervener's participation in the proceedings.

25 (d) A presiding officer may permit intervention conditionally and, at any time later in the  
26 proceedings or at the end of the proceedings, may revoke the conditional intervention.

27 (e) Existing parties to a contested case proceeding have the right to be heard on the issues

1 related to whether the presiding officer shall grant or deny a pending petition for intervention.

2 (f) The presiding officer, at least [24 hours] before the hearing, shall issue an order  
3 granting or denying each pending petition for intervention, specifying any conditions, and briefly  
4 stating the reasons for the order. The presiding officer shall promptly give notice to the petitioner  
5 for intervention and to all parties of an order granting, denying, or modifying intervention.

#### 6 **Comment**

7  
8 Section 411 is based in part of 1981 MSAPA Section 4-209. See also Federal Rule of  
9 Civil Procedure Rule 24 (intervention of right under Rule 24(a), and permissive intervention  
10 under Rule 24(b)).

11  
12 Subsection (c) recognizes the normal judicial practice of limiting the participation of  
13 intervenors, especially on cross examination, to their particular interest and taking any other  
14 procedural steps or limitations in order to maintaining an orderly and expeditious hearing.  
15 Mandatory intervention is provided for in subsections (a)(1), and (2). Permissive intervention is  
16 provided for in subsection (b). Subsection (d) recognizes the power of the presiding officer to  
17 dismiss a party who has intervened at any time after intervention has occurred when it appears  
18 that the conditions of this section or the requirements for the intervening party's standing have  
19 not been satisfied. Subsection (f) provides for notice suitable under the circumstances to enable  
20 parties to anticipate and prepare for changes that may be caused by the intervention.  
21

#### 22 **SECTION 412. SUBPOENAS.**

23 (a) In a contested case, upon tender of the proper fees for witnesses calculated in the  
24 same manner as under the rules of civil procedure by the party applying for the subpoena, the  
25 presiding officer or any other officer to whom the power is delegated may issue subpoenas for the  
26 attendance of witnesses and the production of books, records and other evidence for use at the  
27 hearing.

28 (b) After the commencement of a contested case, when a written request for a subpoena  
29 to compel attendance by a witness at the hearing of the case or to produce books, papers, records,  
30 or records that are relevant and reasonable is made by a party, the presiding officer shall issue

subpoenas.

(c) Subpoenas, protective orders, and other orders issued under this section may be enforced pursuant to the rules of civil procedure.

#### **Comment**

Section 412 is based in part on 1981 MSAPA Section 4-210. See also California Government Code sections 11450.05 to 11450.50 (subpoenas in administrative adjudication).

### **SECTION 413. DISCOVERY.**

(a) As used in this section, “statement” includes records signed by a person of his or her oral statements and records that summarize these oral utterances.

(b) Except in an emergency hearing under Section 4087, a party, upon written notice to another party at least [ ] days before an evidentiary hearing, is entitled to:

(1) obtain the names and addresses of witnesses that the disclosing party will present at the contested case hearing -to the extent known to the other party; and

(2) inspect and make a copy of any of the following material in the possession, custody, or control of the other party:

(A) a statement of a person named in the initial pleading or any subsequent pleading if it is claimed that respondent’s act or omission as to that person is the basis for the adjudication;

(B) a statement relating to the subject matter of the adjudication made by any party to another party or person;

(C) statements of witnesses then proposed to be called and of other persons having knowledge of facts that are the basis for the proceeding;

1 (D) all writings, including reports of mental, physical, and blood  
2 examinations and things which the party then proposes to offer in evidence;

3 (E) investigative reports made by or on behalf of the agency or other party  
4 pertaining to the subject matter of the adjudication, to the extent that these reports contain the  
5 names and addresses of witnesses or of persons having personal knowledge of the acts,  
6 omissions, or events that are the basis for the adjudication or reflect matters perceived by the  
7 investigator in the course of the investigation, or contain or include by attachment any statement  
8 or writing described in this section;

9 (F) any exculpatory material in the possession of the agency; or

10 (G) any other material for good cause shown.

11 (3) Parties to contested case proceedings have a duty to supplement responses  
12 provided under subsection (b) to include information thereafter acquired to the extent that  
13 information will be relied upon in the contested case hearing.

14 (c) Upon petition, a presiding officer may issue a protective order for any material for  
15 which discovery is sought under this section that is exempt, privileged, or otherwise made  
16 confidential or protected from disclosure by law.

17 (d) Upon petition, the presiding officer may issue an order compelling discovery for  
18 refusal to comply with a discovery request unless good cause exists for refusal. Failure to  
19 comply with the discovery order shall be enforced according to the rules of civil procedure.

#### 20 **Comment**

21  
22 Discovery in administrative adjudication is more limited than in civil court proceedings.  
23 Nevertheless discovery is available for the items listed in subsection (b). See California  
24 Government Code Section 11507.6 to 11507.7 (discovery in administrative adjudication).  
25

1           **SECTION 414. CONVERSION.**

2           (a) An adjudication in a contested case of one type may be converted to an adjudication  
3 of another type under this [article] if:

4                   (1) the adjudication at the time of conversion no longer meets the requirements  
5 under this [article] for adjudication of the type for which it was originally commenced; and

6                   (2) at the time it is converted it meets the requirements under this [article] for the  
7 type of adjudication to which it is being converted.

8           (b) To the extent practicable and consistent with the rights of the parties and the  
9 requirements of this [article] relative to the new proceeding, the record of the original proceeding  
10 must be used in the new proceeding.

11           (c) The agency may adopt rules to govern the conversion of one type of proceeding under  
12 this [article] to another. The rules may include an enumeration of the factors to be considered in  
13 determining whether and under which circumstances one type of proceeding will be converted to  
14 another.

15                                   **Comment**

16  
17           Section 414 is based in part on 1981 MSAPA Section 1-107. See also California  
18 Government Code Sections 11470.10 to 11470.50. Under this section the presiding officer is  
19 empowered to convert from one type of disputed case adjudication to another in appropriate  
20 circumstances. Conversion may only occur if two requirements are satisfied: the situation that  
21 met the requirements under this article for the original proceeding must no longer exist, and the  
22 requirements for the new type of proceeding under this article are now satisfied. Meeting both  
23 requirements is mandatory in order to prevent a presiding officer from converting an adjudication  
24 under Section 402 to an informal adjudication in a situation where the procedural protections of  
25 Section 402 are still justified under this article.  
26

27           **SECTION 415. DEFAULT.**

28           (a) Unless displaced or modified by law other than this [act], if a party without good



1 cause fails to attend or participate in a pre-hearing conference, hearing, or other stage of a  
2 disputed case, the presiding officer may issue a default order or proceed with a hearing in the  
3 absence of the party.

4 (b) Under subsection (a), a default judgment must be based on the absent party's  
5 admissions or other evidence and affidavits, which can be used without notice to the absent party.

6 This subsection does not apply where the burden is on the absent party to establish that he or she  
7 is entitled to the agency action sought.

8 (c) Within [ ] days after a decision is rendered against a party who failed to appear, that  
9 party may petition the presiding officer to vacate the recommended or final order. If adequate  
10 reasons are provided showing good cause for the party's failure to appear, the presiding officer  
11 shall vacate the decision and, after proper service of notice, conduct another evidentiary hearing.  
12 If adequate reasons are not provided showing good cause for the party's failure to appear, the  
13 presiding officer shall deny the motion to vacate.

#### 14 **Comment**

15 Under this section the presiding officer the power to impose a default judgment.  
16 However, the default decision must be based upon prima facie evidence. Among the other laws  
17 that modify the presiding officer's discretion are the [state] rules of civil procedure. The section  
18 thus authorizes a presiding officer to issue a default judgment for the same reasons as contained  
19 in the state rules of civil procedure.

20  
21 Subsection (b) is adapted from the Alaska Administrative Procedure Act, AS 44.62.530  
22 and the California Administrative Procedure Act, West's Ann.Cal.Gov.Code § 11520.  
23

#### 24 **SECTION 416. LICENSES.**

25 (a) If an opportunity for an evidentiary hearing is not required by law for agency action  
26 on an application for a license, the agency shall give prompt notice of its action in response to an

1 application. If the agency denies an application under this section, the agency shall include the  
2 reasons for denial.

3 (b) When a licensee has made timely and sufficient application for the renewal of a  
4 license, the existing license does not expire until the application has been finally acted upon by  
5 the agency and, if the application is denied or the terms of the new license are limited, the last  
6 day for seeking review of the agency decision is 45 days from the date of the agency decision  
7 denying the application or limiting the terms of the new license or a later date fixed by order of  
8 the reviewing court.

9 (c) If the agency finds that emergency action against a license is required, the action shall  
10 be conducted under Section 408.

#### 11 **Comment**

12 Subsection (b) was taken from the 1961 Model State Administrative Procedure Act,  
13 section 14(b), which has been adopted by many states. See, for example: Alabama, Ala.Code  
14 1975 Section 41-22-19; Tennessee, T. C. A. Section 4-5-320; Michigan, M.C.L.A. 24.291; and  
15 Wisconsin, W.S.A. 227.51.  
16

#### 17 **SECTION 417. ORDERS: FINAL AND RECOMMENDED.**

18 (a) If the presiding officer is the agency head, the presiding officer shall render a final  
19 order.

20 (b) If the presiding officer is not the agency head, the presiding officer shall render a  
21 recommended decision [proposed decision], when the presiding officer has not been delegated  
22 final decisional authority. When the presiding officer has been delegated final decisional  
23 authority, the presiding officer shall render a decision which shall becomes a final order ~~order~~ in  
24 [30] days, unless reviewed by the agency head on its own motion or on petition of a party.

1 (c) Unless the time is extended by stipulation, waiver, or upon a showing of good cause,  
2 a recommended or final order must be served in writing within 90 days after conclusion of the  
3 hearing or after submission of memos, briefs, or proposed findings, whichever is later.

4 (d) A recommended or final order must include separately stated findings of fact and  
5 conclusions of law on all material issues of fact, law, or discretion, the remedy prescribed, and, if  
6 applicable, the action taken on a petition for stay. A party may submit proposed findings of fact.

7 If a party has submitted proposed findings of fact, the order must include a ruling on the  
8 proposed findings. The order must also include a statement of the available procedures and time  
9 limits for seeking reconsideration or other administrative relief, and a statement of the time

10 limits for seeking judicial review of the agency order. A recommended decision must include a  
11 statement of any circumstances under which the recommended decision, without further notice,  
12 may become a final order.

13 (e) Findings of fact must be based exclusively upon the evidence of the agency hearing  
14 record in the contested case and on matters officially noticed.

15 (f) A presiding officer shall cause copies of the recommended or final order to be  
16 delivered to each party and to the agency head within the time limits set in subsection (c).

#### 17 **Comment**

18 See section 102(24) of this act for the definition of “recommended decision”. This  
19 section draws upon useful provisions from several states. E.g. see: Alabama, Ala.Code 1975  
20 Section 41-22-16; Iowa, I.C.A. Section 17A.15; Kansas, K.S.A. Section 77-526; Michigan,  
21 M.C.L.A. 24.281; Montana, MCA 2-4-623; Washington, RCWA 34.05.461.

22  
23 The third sentence of subsection (d) is taken from the 1961 MSAPA.  
24

#### 25 **SECTION 418. AGENCY REVIEW OF RECOMMENDED DECISIONS.**

1 (a) An agency head may review a recommended decision on its own motion.

2 (b) A party may petition the agency head to review a recommended decision. Upon  
3 petition by any party, the agency head shall review an agency order, except to the extent that:

4 (1) a provision of law precludes or limits agency review of the recommended  
5 decision; or

6 (2) the agency head, in the exercise of discretion conferred by law other than this  
7 [act], declines to review the recommended decision.

8 (c) A petition for review of a recommended decision must be filed with the agency head,  
9 or with any person designated for this purpose by rule of the agency, within [10] days after the  
10 recommended decision is rendered. If the agency head decides to review a recommended  
11 decision on its own motion, the agency head shall give written notice of its intention to review  
12 the recommended decision within [10] days after it is rendered.

13 (d) The [10]-day period for a party to file a petition, or for the agency head to give notice  
14 of its intention to review a recommended decision in subsection (b), is tolled by the submission  
15 of a timely petition for reconsideration of the recommended decision pursuant to this section. A  
16 new [10]-day period starts to run upon disposition of any petition for reconsideration or agency  
17 head review under subsection (b). If a recommended decision is subject both to a timely petition  
18 for reconsideration and to a petition for appeal or to review by the agency head on its own  
19 motion, the petition for reconsideration must be disposed of first, unless the agency head  
20 determines that action on the petition for reconsideration has been unreasonably delayed.

21 (e) An agency head that reviews a recommended decision shall exercise all the decision-  
22 making power that the agency head would have had if the agency head had conducted the hearing

1 that produced the recommended decision, except to the extent that the issues subject to review  
2 are limited by a provision of law other than this [act] or by order of the agency head upon notice  
3 to all the parties. In reviewing findings of fact in recommended decisions by presiding officers,  
4 the agency head shall give due regard to the presiding officer's opportunity to observe the  
5 witnesses. The agency head shall consider the agency record or such portions of it as have been  
6 designated by the parties.

7 (f) An agency head may render a final order disposing of the proceeding or may remand  
8 the matter for further proceedings with instructions to the presiding officer who rendered the  
9 recommended decision. Upon remanding a matter, the agency head may order such temporary  
10 relief as is authorized and appropriate.

11 (g) A final order or an order remanding the matter for further proceedings under this  
12 section must identify any difference between the order and the recommended decision and shall  
13 state the facts of record which support any difference in findings of fact, state the source of law  
14 which supports any difference in legal conclusions, and state the policy reasons which support  
15 any difference in the exercise of discretion. A final order under this section must include, or  
16 incorporate by express reference to the recommended decision, all the matters required by  
17 Section 416(d). The agency head shall cause an order issued under this section to be delivered to  
18 the presiding officer and to all parties.

### 19 **Comment**

20  
21 This section draws upon 1981 MSAPA, which reflects current practice in regard to  
22 recommended decisions, final orders and review of final orders more accurately than the 1961  
23 MSAPA. Subsections (b) and (e) draw upon the Washington APA, West's RCWA 34.05.464,  
24 and the Kansas APA, K.S.A. § 77-527. The object of subsection (e) is to assure agency head  
25 consideration of the issues tendered in the case.  
26

**SECTION 419. RECONSIDERATION.**

(a) Any party, within [ ] days after notice of a recommended or final order is given, may file a petition for reconsideration that states the specific grounds upon which relief is requested. The place of filing and other procedures, if any, shall be specified by agency rule.

(b) If a petition for reconsideration is timely filed, and if the petitioner has complied with the agency's procedural rules for reconsideration, if any, the time for filing a petition for judicial review does not commence until the agency disposes of the petition for reconsideration as provided in Section 504(d).

(c) If a petition is filed under subsection (a), the presiding officer shall render a written order within [20] days denying the petition, granting the petition and dissolving or modifying the recommended or final order, or granting the petition and setting the matter for further proceedings. The petition may be granted only if the presiding officer states findings of facts, conclusions of law, and the reasons for granting the petition.

### Comment

This section is based in part on the Washington APA, West's RCWA 34.05.470. This section creates a general right to seek reconsideration of a recommended or final order. Subsection (b) must be read concurrently with Section 507(d), which excuses exhaustion to the extent that a provision of this [act] provides for excuse.

**SECTION 420. STAY.** Except as otherwise provided by law other than this [act], a party may request an agency to stay a recommended or final order within [five] days after it is rendered.

### Comment

The 1961 MSAPA § 15 contained a provision for a stay. Stays are sometimes necessary to preserve the status quo pending agency review or judicial review.

1

2           **SECTION 421. AVAILABILITY OF ORDERS; INDEX.**

3           (a) Except as otherwise provided in subsections (b), (c), and (d), an agency shall index,  
4 by caption and subject, all final orders and final written decisions in contested cases and make  
5 the index and all final orders and decisions available for public inspection and copying, at cost in  
6 its principal offices. The agency must also furnish the index and all final orders and decisions in  
7 contested cases online through the [publisher] via the [publisher's] Internet website without  
8 charge, or in writing upon request at a cost to be determined by the agency.

9           (b) Final orders or decisions that are exempt, privileged, or otherwise made confidential  
10 or protected from disclosure by law, [the disclosure of which would constitute an unwarranted  
11 invasion of privacy or release of trade secrets], are not public records and may not be indexed.

12           (c) A final order or decision under this subsection may be excluded from disclosure only  
13 by order of the presiding officer. The justification for the exclusion must be explained in writing  
14 and attached to the order.

15           (d) If, in the judgment of the presiding officer, it is possible to redact [\[or to prepare a](#)  
16 [generic version of\]](#) a final order or decision that is exempt, privileged or otherwise made  
17 confidential or protected from disclosure by law so that it complies with the requirements of law,  
18 the redacted [\[or the generic version of the\]](#) document may be indexed and published.

19           (e) An agency may not rely on a final order or a written final decision as precedent in  
20 future adjudications unless the order or decision has been designated as a precedent by the  
21 agency, and the order or decision has been published, indexed, and made available for public  
22 inspection.

## Comment

This section is entirely new. This section continues the concept, seen earlier in connection with rules, of preventing earlier decisional law known only to agency personnel from constituting the basis for decision in a disputed case. Subsection (c) is based in part on the provisions of California Government Code Section 11425.60. If the agency wishes to use a case as precedent in the future, it must make the order and decision in that case available to the public. The only situations in which an agency may rely on a contested case as precedent without indexing and making that decision and order available to the public are described in subsection (b) of this section.

In some states there have been attacks on agency adjudications on the basis that the proceeding should be conducted under the provisions for rulemaking. In the case of *SEC v. Chenery Corp.*, 332 U.S. 194 (1947) the United States Supreme Court held that the choice of whether to proceed by rulemaking or adjudication is left entirely to the discretion of the agency, because not every principle can be immediately promulgated in the form of a rule. In the words of the Supreme Court “Some principles must await their own development, while others must be adjusted to meet particular, unforeseeable situations.” Most states follow *Chenery*. See *Illuminating a Bureaucratic Shadow World: Precedent Decisions under California’s Revised Administrative Procedure Act*, 21 J. Nat’l A. Admin. L. Judges 247 (2001) at n. 68.

This section makes clear that the choice between rulemaking and adjudication is entirely in the discretion of the agency. However, in order to prevent law to which the public does not have access from constituting the basis for decision, final orders must be indexed and available to the public. See also the California administrative procedure act at West’s Ann. Cal. Gov. Code, § 11425.60



1 [ARTICLE 5]

2 JUDICIAL REVIEW

3  
4 SECTION 501. RIGHT TO JUDICIAL REVIEW; FINAL AGENCY ACTION  
5 REVIEWABLE.

6 (a) As used in this [article], final agency action means agency action that imposes an  
7 obligation, denies a right, or fixes some legal relationship as a result of an administrative process.  
8 Agency action that is a failure to act is not judicially reviewable except that a reviewing court  
9 shall compel agency action that is unlawfully withheld or unreasonably delayed.

10 (b) A person otherwise qualified under this [article] is entitled to judicial review of a  
11 final agency action.

12 (c) A person is entitled to judicial review of agency action not subject to review under  
13 subsection (a) if postponement of judicial review would result in an inadequate remedy or  
14 irreparable harm that outweighs the public benefit derived from postponement.

15 Comment

16 Subsection (a) of this section provides a right of judicial review of final agency action by  
17 appropriate parties. Under this section, the person seeking review must meet all of the  
18 requirements of this article, which include standing, exhaustion of remedies, and time for filing.  
19 The definition of “agency action” is found in Section 102. This section is similar to the judicial  
20 review provisions of Florida (West’s F.S.A. Section 120.68), Iowa (I.C.A. Section 17A.19),  
21 Virginia (Va. Code Ann. Section 2.2-4026) and Wyoming (W.S.1977 Section 16-3-114). Agency  
22 failure to act is not judicially reviewable unless agency action is unlawfully withheld or  
23 unreasonably delayed. This provisions is based on the federal A.P.A., 5 U.S.C. Section 706(1).  
24

25 Subsection (a) also defines final agency action. The definition used here is found in state  
26 and federal cases. See State Bd. Of Tax Comm’rs v. Ispat Inland, 784 N.E.2D 477 (Ind., 2003);  
27 District Intown Properties v. D.C. Dept. Consumer and Regulatory Affairs, 680 A.2d 1373 (Ct.  
28 Apps. D.C. 1996); Texas Utilities Co. v. Public Citizen, Inc, 897 S.W.2d 443 (Tex. App. 1995);  
29 Bennet v. Spear, 520 U.S. 154, 117 S.Ct. 1154 (1997); Mobil Exploration and Producing Inc. v.

1 Dept. Interior, 180 F.3d 1192, 1197 (10<sup>th</sup> Cir. 1999).

2  
3 Subsection (c) creates a limited right to review of non-final agency action.  
4

5 **SECTION 502. REVIEW OF AGENCY ACTION OTHER THAN ORDER. A**

6 person otherwise qualified under this [article] is entitled to judicial review of agency rules and  
7 final agency action other than an order if the action is ripe. Factors to be considered in making  
8 the determination are whether the agency has taken final action that involves a concrete, specific  
9 legal issue and whether postponement of judicial review will subject the person to irreparable  
10 harm.

11 **Comment**  
12

13 This section seeks to recognize the prudential exception to finality and ripeness  
14 sometimes recognized for rules and other types of agency action by agencies such as rules,  
15 advisory letters and guidance documents. It seeks to incorporate the general tests for finality and  
16 ripeness taken from the cases of *Abbott Laboratories v. Gardner*, 387 U.S. 136, 148-149, 87 S.Ct.  
17 1507, 18 L.Ed.2d 681 (1967); *FTC v. Standard Oil Co.*, 449 U.S. 232, 101 S.Ct. 488 (1980) and  
18 *Bennett v. Spear*, 520 U.S. 154, 117 S.Ct. 1154 (1997), which have been cited with approval and  
19 followed in many states. Under this subsection, some appellant challenges or bases for challenge  
20 will be ripe for review, but many will not. The subsection seeks to furnish guidance to state  
21 courts attempting to apply the doctrines of finality and ripeness. Under this section, the person  
22 seeking review must meet all of the requirements of this article, which include standing,  
23 exhaustion of remedies, and time for filing.  
24

25 The finality determination is to be made case by case in a pragmatic, flexible fashion.  
26 Fitness for review is present where issues to be considered are purely legal ones, so that further  
27 factual development of the issues is not necessary. Hardship involves imposition of significant  
28 practical harm. Some cases have equated that harm with impact that would justify equitable  
29 intervention. The harm element has also been approached by asking the question: does the  
30 agency action pose a difficult dilemma for the party, so that he or she must immediately take  
31 action that will be very expensive and cannot be recovered or face expensive prosecution in the  
32 future.  
33

34 **SECTION 503. RELATION TO OTHER JUDICIAL REVIEW LAW AND**

35 **RULES.** Unless otherwise provided by a statute of this state other than this [act], judicial review

1 of final agency action may be taken only by proceeding as provided by [state] [rules of appellate  
2 procedure] [rules of civil procedure]. An appeal from final agency action may be taken  
3 regardless of the amount involved. The court may grant any type of relief that is available and  
4 appropriate.

#### 5 **Comment**

6  
7 This section places appeals from final agency action within the existing state rules of  
8 appellate procedure. Such action may be preferred by some states because of constitutional  
9 provisions or because of the existence of rules of appellate procedure that the legislature may not  
10 wish to change. This practice was followed under the 1961 MSAPA, and is followed in a  
11 number of states today. See e.g.: Alaska (AS 44.62.560), California (West's Ann.Cal.Gov.Code  
12 Section 11523), Delaware (29 Del.C. Section 10143), Florida (West's F.S.A. Section 120.68),  
13 Iowa (I.C.A. § 17A.20), Michigan (M.C.L.A. 24.302), Minnesota (M.S.A. § 14.63) (Appeal  
14 integrated with state appellate rules), Virginia (Va. Code Ann. Section 2.2-4026), Wyoming  
15 (W.S.1977 § 16-3-114).  
16

### 17 **SECTION 504. TIME FOR SEEKING JUDICIAL REVIEW OF AGENCY** 18 **ACTION, LIMITATIONS.**

19 (a) A proceeding to contest any rule on the ground of noncompliance with the procedural  
20 requirements of this [act] must be commenced within two years from the effective date of the  
21 rule.~~Except as O~~~~therwise provided in Section 314, and~~ subject to Section 502, judicial review of  
22 a rule may be sought at any time.

23 (b) Judicial review of an order or other final agency action other than a rule must be  
24 commenced within 30 days after issuance of the order or other agency action.

25 (c) A time for seeking judicial review under this section is tolled during any time a party  
26 is pursuing an administrative remedy before the agency which must be exhausted as a condition  
27 of judicial review.

28 (d) A party may not file or petition for judicial review while seeking reconsideration

1 under Section 418. During the time that a petition for reconsideration is pending before an  
2 agency, the time for seeking judicial review in subsection (b) is tolled.

3  
4 **Comment**

5 The first sentence of subsection (a) is based on 1961 Model State Administrative  
6 Procedure Act, section (3)(c)., and on Section 3-113(b) of the 1981 Model State Administrative  
7 Procedures Act. The scope of challenges permitted for noncompliance with procedural  
8 requirements under Section 314 includes all applicable requirements of article 3 for the type of  
9 rule being challenged.  
10

11 **SECTION 505. STAYS PENDING APPEAL.** The initiation of judicial review does  
12 not automatically stay an agency decision. An appellant may petition the reviewing court for a  
13 stay upon the same basis as stays are granted under the [state] rules of [appellate] [civil]  
14 procedure, and the reviewing court may grant a stay whether or not the appellant first sought a  
15 stay from the agency.

16 **Comment**

17 This provision for stay permits a party appealing agency final action to seek a stay of the  
18 agency decision the court. This is similar to the 1961 MSAPA.  
19

20 **SECTION 506. STANDING.** The following persons have standing to obtain judicial  
21 review of a final agency action:

22 (1) a person eligible for standing under law of this state other than this [act]; and

23 (2) a person otherwise aggrieved or adversely affected by the agency action.

24 **Comment**  
25

26 Subsection (1) confers standing that arises under any other provision of law. Examples  
27 of this type of standing are statutes that expressly confer standing in general language such as, for  
28 example, “any person may commence a civil suit in his own behalf... to enjoin... an agency...

1 alleged to be in violation of this chapter. . . . 16 U.S.C.A. § 1540, explained in *Bennett v. Spear*,  
2 520 U.S. 154, 117 S.Ct. 1154(1997). Another example is standing recognized in judicial  
3 decision or common law.  
4

5 Subsection (2) uses the term person “aggrieved or adversely affected”. This term is based  
6 in part on the provisions of the federal A.P.A., 5 U.S.C. Section 702. These words have become  
7 terms of art used to describe types of injury that were not recognized at common law. An  
8 example of a person entitled to standing who is intended to be included under subsection (2) is a  
9 competitor. These terms have also been used to recognize standing based on non-economic  
10 values, such as aesthetic or environmental injuries.  
11

## 12 **SECTION 507. EXHAUSTION OF ADMINISTRATIVE REMEDIES.**

13 (a) Subject to subsection (e) or a statute other than this [act] that provides that a person  
14 need not exhaust their administrative remedies, a person may file a petition for judicial review  
15 under this [act] only after exhausting all administrative remedies available within the agency  
16 whose action is being challenged and within any other agency authorized to exercise  
17 administrative review.

18 (b) Filing a petition for reconsideration or a stay of proceedings is not a prerequisite for  
19 seeking administrative or judicial review.

20 (c) A petitioner for judicial review of a rule need not have participated in the rulemaking  
21 proceeding upon which that rule is based.

22 (d) If the issue that a petitioner for judicial review of a rule under this section raises was  
23 not raised and considered in a rulemaking proceeding, before bringing a petition for judicial  
24 review, the petitioner must petition the agency to initiate rulemaking under Section 317 to take  
25 action to resolve or cure the issue or issues that the petitioner is challenging. In the petition for  
26 judicial review, the petitioner must disclose to the court the petition for rulemaking and the  
27 agency action on that petition.

1 (e) The court may relieve a petitioner of the requirement to exhaust any or all  
2 administrative remedies to the extent that the administrative remedies are inadequate or would  
3 result in irreparable harm.

4 **Comment**

5  
6 This section creates a default requirement of exhaustion, which is generally followed in  
7 the states. However, the section creates several exceptions to the default rule. Subsection (b)  
8 requires issue exhaustion in appeals from rulemaking for persons who did not participate in the  
9 challenged rulemaking. It excuses persons seeking judicial review of a rule who were not parties  
10 before the agency from the exhaustion requirement; but, if the issue that they seek to raise was  
11 not raised and considered in the rulemaking proceeding that they challenge, then they must first  
12 petition the agency to conduct another rulemaking to consider the issue. If the agency refuses to  
13 do so or if the agency conducts a second rulemaking that is adverse to the petitioner on the issue  
14 or issues raised in his petition for rulemaking, then the petitioner may seek judicial review.  
15 Subsection (d) recognizes the judicially created exception to the exhaustion requirement where  
16 agency relief would be inadequate or would result in irreparable harm. In some states courts  
17 have held that irreparable harm that is a sufficient condition to excuse exhaustion exists only if it  
18 outweighs the public interest in exhaustion. State courts are free under this section to engage in  
19 that weighing test.  
20

21 **SECTION 508. AGENCY RECORD ON JUDICIAL REVIEW; EXCEPTION.**

22 Judicial review of adjudication and rulemaking is confined to the agency record or arising from  
23 the record except when the petitioner alleges procedural error arising from matters outside the  
24 agency record or alleges matters that are not evident from the record that involve new evidence  
25 or changed circumstances. The record may be opened only to avoid manifest injustice.

26 **Comment**

27  
28 This section establishes a default closed record for judicial review of adjudication and  
29 rulemaking. It is well established in most states and in federal administrative procedure that, in  
30 case of adjudication, judicial review is based upon that evidence which was before the agency on  
31 the record. Otherwise, the standards of judicial review could be subverted by the introduction of  
32 additional evidence to the court that was not before the agency. See *Western States Petroleum*  
33 *Ass'n v. Superior Court*, 888 P.2d 1268 (Cal. 1995). For rulemaking, the record for judicial  
34 review is defined in Section 302 of this Act.  
35

1           The section contains an exception to the closed record on review where petitioner alleges  
2 error, such as ex parte contacts, that does not appear in or is not evident from the record. Other  
3 examples of error that do not appear or are not evident from the record are: improper constitution  
4 of the decision making body, grounds for disqualification of a decision maker, or unlawful  
5 procedure. However, the standard for opening the record on appeal is high.  
6

## 7           **SECTION 509. SCOPE OF REVIEW.**

8           (a) In judicial review of an agency action, the following rules apply:

9                   (1) Except as provided by law of this state other than this [act], the burden of  
10 demonstrating the invalidity of agency action is on the party asserting invalidity.

11                   (2) The court shall make a separate and distinct ruling on each material issue on  
12 which the court's decision is based.

### 13                                   **ALTERNATIVE 1**

14                   (3) The court may grant relief only if it determines that a person seeking judicial  
15 review has been prejudiced by one or more of the following:

16                                   (A) the agency erroneously interpreted or applied the law, or acted in  
17 excess of its authority under the law;

18                                   (B) the agency committed an error of procedure;

19                                   (C) the agency action is arbitrary, capricious, an abuse of discretion, or  
20 otherwise not in accordance with law;

21                                   (D) an agency determination of fact is not supported by substantial  
22 evidence in the record as a whole~~considered in light of the entire record~~; or

23                                   (E) to the extent that the facts are subject to trial de novo by the reviewing  
24 court, the action was unwarranted by the facts.

### 25                                   **ALTERNATIVE 2**

1                   (3) The court may grant relief only if it determines that a person seeking judicial  
2 review has been prejudiced and the agency action is :  
3                   (A) unconstitutional on its face or as applied or is based upon a provision  
4 of law that is unconstitutional on its face or as applied;  
5                   (B) beyond the authority delegated to the agency by any provision of law  
6 or is in violation of any provision of law;  
7                   (C) based upon an erroneous interpretation of a provision of law whose  
8 interpretation has not clearly been vested by a provision of law in the discretion of the agency;



1 (D) based upon a procedure or decision-making process prohibited by law  
2 or was taken without following the prescribed procedure or decision-making process;

3 (E) the product of decision-making undertaken by persons who were  
4 improperly constituted as a decision-making body, were motivated by an improper purpose, or  
5 were subject to disqualification;

6 (F) based upon a determination of fact clearly vested by a provision of law  
7 in the discretion of the agency that is not supported by substantial evidence in the agency record  
8 before the court when that record is viewed as a whole. “Substantial evidence” means the  
9 quantity and quality of evidence that would be deemed sufficient by a neutral, detached, and  
10 reasonable person, to establish the fact at issue when the consequences resulting from the  
11 establishment of that fact are understood to be serious and of great importance.

12 “When that record is viewed as a whole” means that the adequacy of the  
13 evidence in the record before the court to support a particular finding of fact must be judged in  
14 light of all the relevant evidence in the record cited by any party that detracts from that finding as  
15 well as all of the relevant evidence in the record cited by any party that supports it, including any  
16 determinations of veracity by the presiding officer who personally observed the demeanor of the  
17 witnesses and the agency’s explanation of why the relevant evidence in the record supports its  
18 material findings of fact.

19 (G) action other than a rule that is inconsistent with a rule of the agency;

20 (H) action other than a rule that is inconsistent with the agency’s prior  
21 practice or precedent, unless the agency has stated credible reasons sufficient to indicate a fair  
22 and rational basis for the inconsistency;

1 (I) the product of reasoning that is so illogical as to render it wholly  
2 irrational;

3 (J) the product of a decision-making process in which the agency did not  
4 consider a relevant and important matter relating to the propriety or desirability of the action in  
5 question that a rational decision maker in similar circumstances would have considered prior to  
6 taking that action;

7 (K) not required by law and its negative impact on the private rights  
8 affected is so grossly disproportionate to the benefits accruing to the public interest from that  
9 action that it must necessarily be deemed to lack any foundation in rational agency policy;

10 (L) based upon an irrational, illogical, or wholly unjustifiable  
11 interpretation of a provision of law whose interpretation has clearly been vested by a provision of  
12 law in the discretion of the agency;

13 (M) based upon an irrational, illogical, or wholly unjustifiable application  
14 of law to fact that has clearly been vested by a provision of law in the discretion of the agency; or

15 (N) otherwise unreasonable, arbitrary, capricious, or an abuse of  
16 discretion.

17 **END OF ALTERNATIVES**

18 (b) In making the determinations under this section, the court shall review the whole  
19 agency record, or those parts designated by the parties, and shall take due account of the rule of  
20 harmless error.

21  
22 **NOTE:** The drafting committee is divided on the scope of review provisions and seeks guidance  
23 from the committee of the whole. There are two schools of thought on the drafting committee.  
24

1 One view is that scope of review is notoriously difficult to capture in verbal formulas, and  
2 its application varies depending on context. For that reason, some members urge return to  
3 shorter, skeletal formulations of the scope of review, similar to the 1961 MSAPA. See Ronald  
4 M. Levin, Scope of Review Legislation, 31 Wake Forest L. Rev. 647 (1996) at 664-66. William  
5 D. Araiza, In Praise of a Skeletal APA, 56 Admin. L. Rev. 979 (2004). (Judiciary, not legislature,  
6 appropriate body to evolve specific standards for review, because of great variety of agency  
7 action and contexts, and inability to describe how general standards of review should apply to  
8 many of them). Alternative 1 reflects this view.  
9

10 The other view is that judicial review is sometimes almost perfunctory, and more detailed  
11 standards will result in closer judicial scrutiny. A related view strongly argued in drafting  
12 committee meetings was that scope of review is a device by which the judiciary assists the  
13 legislature to keep the agencies within the bounds set by the legislature, helps to assure agency  
14 action consistent with the intent of the legislature, and protects citizens from agency error. More  
15 detailed scope of review provisions also make the task of the judiciary easier because they  
16 provide clearer instructions from the legislature about how to review agency decisions. More  
17 detailed scope of review provisions lead to more intense judicial review, and that is an approach  
18 that legislatures welcome for the same reason that they have embraced regulatory review: it  
19 controls agency action. Alternative 2, which draws heavily on the Iowa provisions on scope of  
20 review ( I.C.A. 17. A.19(10)), represents this position.  
21

## 22 **Comment**

23

24 Judicial review is essential and exists in all states. Subsections (a) (1) & (2) describe the  
25 general burdens on the appellant and the approach under this Act. They are substantially similar  
26 to the general scope of review provisions of the Federal APA, 5 U.S.C. Section 706.  
27

28 Subsections (a)[(3) alternative 1](A) & (B) identify the courts' power to decide questions  
29 of law and procedure. Subsection (a)[(3) alternative 1](A) includes, but is not limited to,  
30 violations of constitutional or statutory provisions and actions that are in excess of statutory  
31 authority from Section 15(g) of the 1961 MSAPA, and includes subsections (c) (1), (2) and (4) of  
32 the 1981 MSAPA. The section thus includes challenges to the facial or applied constitutionality  
33 of a statute, challenges to the jurisdiction of the agency, erroneous interpretation of the law, and  
34 may include erroneous application of the law. This section is not intended to preclude courts  
35 from according deference to agency interpretations of law, where such deference is appropriate.  
36

1 [ARTICLE] 6

2 OFFICE OF ADMINISTRATIVE HEARINGS

3  
4 SECTION 601. CREATION OF OFFICE OF ADMINISTRATIVE HEARINGS.

5 (a) As used in this [article], office means the [Office of Administrative Hearings].

6 (b) The [Office of Administrative Hearings] is created as an independent nonpartisan  
7 agency to perform adjudicatory function and not perform the investigatory, prosecutorial, and  
8 policy-making functions of agencies.

9 (c) Administrative law judges shall be selected and appointed to the office through state  
10 employment selection processes competitive examinationused in the [civil classified service of  
11 state employment] or [by the chief administrative law judge].

12 (d) The administrative law judges of the agencies to which this [article~~act~~] applies are  
13 employees of the office.

14 SECTION 602. DUTIES OF OFFICE.

15 (a) The office shall employ administrative law judges as necessary to conduct  
16 adjudicative proceedings required by this [act] or provisions of law other than this [act].

17 (b) Except as provided in this [article], the office shall provide an administrative law  
18 judge to serve as presiding officer unless the agency head hears the case.

19 SECTION 603. APPOINTMENT OF CHIEF ADMINISTRATIVE LAW JUDGE.

20 (a) The office is headed by a chief administrative law judge [appointed by the Governor  
21 with advice and consent of the [Senate] [House of Representatives] for a term of [6] years], and  
22 until a successor is appointed and qualifies for office. A chief administrative law judge may be

1 removed only for good cause following notice and an opportunity for a contested case hearing.

2 (b) The chief administrative law judge:

3 (1) shall take an oath of office as required by law prior to the commencement of  
4 duties;

5 (2) shall have substantial experience in administrative law;

6 (3) shall devote full time to the duties of the office and may not engage in the  
7 practice of law;

8 (4) is eligible for reappointment;

9 (5) shall receive the salary provided by law;

10 (6) shall be licensed to practice law in the state and admitted to practice for a  
11 minimum of five years; and

12 (7) is subject to the code of conduct for administrative law judges pursuant to  
13 Section 410.

14 (c) The chief administrative law judge may employ a staff in accordance with law.

15 **SECTION 604. POWERS AND DUTIES OF CHIEF ADMINISTRATIVE LAW**

16 **JUDGE.** The chief administrative law judge shall:

17 (1) supervise and manage the office;

18 (2) assign randomly administrative law judges in any case referred to the office, taking  
19 into account administrative law judge expertise;

20 (3) protect and attempt to ensure the decisional independence of each administrative law  
21 judge;

22 (4) establish and implement standards for equipment, supplies, and technology for

1 administrative law judges;

2 (5) provide and coordinate continuing education programs and services for  
3 administrative law judges and advise them of changes in the law relative to their duties;

4 (6) adopt rules to implement this [article] through rulemaking proceedings in accordance  
5 with this [act];

6 [(7) [appoint and remove administrative law judges in accordance with this [article]; ]

7 [(8)] monitor the quality of adjudications in contested cases through training,  
8 observation, feedback and evaluation for professional development; and

9 [(9)] when necessary, discipline administrative law judges who do not meet appropriate  
10 standards of conduct and competence.

11 **SECTION 605. APPOINTMENT OF ADMINISTRATIVE LAW JUDGES.**

12 (a) An administrative law judge:

13 (1) shall take an oath of office as required by law prior to the commencement of  
14 duties;

15 (2) shall be admitted to practice law for at least [3] years [in the state];

16 (3) is subject to the requirements and protections of [classified service of state  
17 employment] and the state [code of judicial ethics];

18 (4) is subject to the code of conduct for administrative law judges [adopted in the](#)  
19 [state](#);

20 (5) may be removed, suspended, demoted, or subject to disciplinary or adverse  
21 action only for good cause, after notice and an opportunity to be heard and a finding of good  
22 cause by an impartial presiding officer [or other appropriate state agency [civil service] [merit

1 system];

2 (6) receive compensation provided by law;

3 (7) be subject to a reduction in force only in accordance with established [civil  
4 service][ merit system] procedure;

5 (8) [must devote full time to the duties of the position] [may not engage in the  
6 practice of law unless serving as a part-time administrative law judge];

7 (9) may not perform duties inconsistent with the duties and responsibilities of an  
8 administrative law judge; and

9 (10) is subject to administrative supervision by the chief administrative law  
10 judge.

11 **SECTION 606. POWERS OF ADMINISTRATIVE LAW JUDGES.** An

12 administrative law judge shall exercise all the powers of a presiding officer under this [act].

13 **Comment**

14 The powers and duties of presiding officers are contained in Sections 403 (contested case  
15 procedures, and Section 406 (informal adjudication procedures).  
16

17 **SECTION 607. COOPERATION OF STATE AGENCIES.**

18 (a) All agencies must cooperate with the chief administrative law judge in the discharge  
19 of the duties of the office, including, but not limited to, provision of information and  
20 coordination of schedules.

21 (b) An agency may not select or reject a particular administrative law judge for a  
22 particular proceeding.

23 **SECTION 608. DECISION-MAKING AUTHORITY OF ADMINISTRATIVE**

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(1) [List name of agency] or [list subject matter of proceeding].

(c) Except as provided by law other than this act, if a matter is referred to the [office] by an agency, the agency may take no further adjudicatory action with respect to the proceeding, except as a party litigant, as long as the [office] has jurisdiction over the proceeding. [This subsection does not prevent an appropriate interlocutory review by the agency or an appropriate termination or modification of the proceeding by the agency when authorized by law other than this act.]



1 **[ARTICLE] 7**

2 **RULES REVIEW**

3 **[NOTE:** A state may choose the legislative rule review process stated in this article.]  
4

5 **SECTION 701. [LEGISLATIVE RULES REVIEW COMMITTEE].**

6 (a) There is created a joint standing [~~r~~Rules ~~r~~Review ~~c~~Committee] of the ~~L~~Legislature  
7 designated the [~~r~~Rules ~~r~~Review ~~c~~Committee].

8 **Legislative note:** States that have existing rules review committees can incorporate the  
9 provisions of Sections 701, and 702, using the existing number of members of their current rules  
10 review committee. Because state practice varies as to how these committees are structured, and  
11 how many members of the legislative body serve on this committee, as well as how they are  
12 selected, the act does not specify the details of the legislative review committee selection process.  
13 Details of the committee staff and adoption of rules to govern the rules review committee staff  
14 and organization are governed by law other than this act including the existing law in each state.  
15

16 **SECTION 702. [RULES REVIEW COMMITTEE] DUTIES.**

17 (a) An agency shall file a copy of an adopted, amended, or repealed rule with the [rules  
18 review committee] at the same time it is filed with [the [publisher]].

19 (b) The [~~r~~Rules ~~r~~Review ~~c~~Committee] shall examine final agency rules and shall review  
20 newly adopted, amended, or repealed -rules on an ongoing basis to determine whether the:

- 21 (1) rule is a valid exercise of delegated legislative authority;  
22 (2) statutory authority for the rule has expired or been repealed;  
23 (3) rule is necessary to accomplish the apparent or expressed intent of the specific  
24 statute that the rule implements;  
25 (4) rule is a reasonable implementation of the law as it affects persons  
26 particularly affected by the rule;

(5) The rule complies with the regulatory analysis requirements of Section 305, and properly determines the factors under Section 305(c).

(c) The [rRules rReview cCommittee] may request from an agency such information as is necessary to carry out the duties of subsection (a). The [rRules rReview cCommittee] shall consult with standing committees of the lLegislature with subject matter jurisdiction over the subjects of the rule under examination.]

(d) The [rRules rReview cCommittee]:

(1) shall maintain oversight over agency rulemaking; and

(2) shall exercise other duties assigned to it under this [article].

### Comment

This section adopts a rules review committee process that is widely followed in state administrative law as a method for legislative review of agency rules. Subsection (b) requires the legislative rules review committee to review all final agency rules as well as newly adopted rules. The rules review committee may establish priorities for rules review including review of newly adopted or amended rules, and may manage the rules review process consistent with committee staff and budgetary resources.

### **SECTION 703. [RULES REVIEW COMMITTEE] PROCEDURE AND POWERS.**

(a) Not later than ~~Within~~ [60] days ~~after~~<sup>of</sup> receiving the notice of an an-adopted, amended, or repealed rule ~~notice of a proposed rule~~ from an agency under Section 307, the [Rules Review Committee] may

(1) approve the adopted, amended, or repealed rule; ~~or~~

(2) propose an amendment to the adopted or amended rule; or

1           ~~(3) disapprove the adopted, amended, or repealed rule of the rule by committee~~  
2           ~~resolution and, if the rule is disapproved, then the rule is suspended until the legislature~~  
3           ~~adopts a joint resolution sustaining the action of the committee or until adjournment of~~  
4           ~~the [next] legislative session.~~

5           (b) If the [rules review committee] approves the adopted, amended or repealed rule, or  
6           does not propose an amendment under subsection (a)(2) or disapprove under subsection (a)(3),  
7           the adopted, amended, or repealed rule becomes effective as provided under Section 314. In case-  
8           ~~of legislative disapproval or the offer of withdrawal or reconsideration, an agency within [—]~~  
9           ~~days in writing shall notify the [Rules Review Committee] and [publisher] that the agency:~~

10           ~~(1) withdraws the rule;~~

11           ~~(2) amends the rule to the extent permitted by Section 308; or~~

12           ~~(3) refuses to amend or withdraw the rule.~~

13           (c) If the [rules review committee] proposes an amendment to the adopted or amended  
14           rule under subsection (a)(2), the agency may make the amendment, and resubmit the rule, as  
15           amended, to the [rules review committee]. An agency is not required to hold a hearing on an  
16           amendment made under this subsection. If the agency makes the amendment, it shall also give  
17           notice to the [publisher] for publication of the rule, as so amended, in the [administrative  
18           bulletin]. The notice shall include the text of the rule as amended. If the [rules review committee]  
19           does not disapprove of the rule, as amended, or propose a further amendment, the rule becomes  
20           effective on the date specified for the original rule under Section 314. If the agency withdraws  
21           ~~the rule, it shall give notice of withdrawal to the [publisher] for publication in the [administrative~~  
22           ~~bulletin] and shall notify the [Rules Review Committee] of withdrawal in writing at the same~~

1 ~~time. The rule shall be withdrawn without public hearing. Withdrawal is effective on the date of~~  
2 ~~publication of the notice of withdrawal in the [administrative bulletin].~~

3 (d) If the [rules review committee] disapproves the adoption, amendment, or repeal of a  
4 rule under subsection (a)(3), the adopted, amended, or repealed rule becomes effective upon  
5 adjournment of the next regular session of the legislature unless prior to that adjournment the  
6 legislature adopts a joint resolution sustaining the action of the committee. ~~If the agency amends~~  
7 ~~the rule to comply with the [Rules Review Committee] objections, it shall make only the changes~~  
8 ~~necessary to meet the objections, and shall resubmit the rule, as amended, to the [Rules Review~~  
9 ~~Committee]. The agency shall also give notice to the [publisher] for publication in the~~  
10 ~~[administrative bulletin] of the change made to comply with the [Rules Review Committee]~~  
11 ~~objection that shall include the text of the rule as changed and the objection to which it is~~  
12 ~~directed. The agency is not required to hold a public hearing on an amendment made under this~~  
13 ~~subsection.~~

14 (e) An agency may withdraw the adoption, amendment, or repeal of a rule by giving  
15 notice of the withdrawal to the [rules review committee] and to the [publisher] for publication in  
16 the [administrative bulletin]. A withdrawal under this subsection terminates the rulemaking  
17 proceeding with respect to the adoption, amendment, or repeal, but does not prevent the agency  
18 from initiating a new rulemaking proceeding for the same or substantially similar adoption,  
19 amendment, or repeal. ~~If the agency refuses to withdraw or amend the rule in response to the~~  
20 ~~objection of the [Rules Review Committee], the agency shall give notice of the refusal to the~~  
21 ~~[Rules Review Committee] and the [publisher] within [ ] days of receiving the [Rules Review~~  
22 ~~Committee] objection. If the agency fails to respond to the objection within [ ] days, or if an~~

1 ~~amendment that an agency makes in response to [Rules Review Committee] objections in the~~  
2 ~~opinion of the [Rules Review Committee] does not correct the objection, the [Rules Review~~  
3 ~~Committee]:~~

4 ~~(1) may post notice of the detailed objections of the [Rules Review Committee] to the~~  
5 ~~rule in the [administrative bulletin] together with a reference to the location in the [administrative~~  
6 ~~bulletin] where the full text of the rule can be found. Posting notice of the detailed objections~~  
7 ~~shall place upon the agency the burden of proving, in any later action challenging the legality of~~  
8 ~~the rule or portion of the rule objected to by the [Rules Review Committee], that the rule or~~  
9 ~~portion of the rule objected to was not unreasonable, arbitrary, capricious, not adopted in~~  
10 ~~compliance with [Article] 3, or otherwise beyond the authority delegated to the agency; and~~

11 ~~(2) may submit a recommendation to the [Speaker of the House of Representatives] and~~  
12 ~~the [President of the Senate] that legislation be enacted to annul or modify the rule together with~~  
13 ~~proposed legislation to accomplish it.~~

14 ~~(3) Within [ ] days of recommending annulling or modifying legislation under this~~  
15 ~~subsection the [Rules Review Committee] shall notify the agency of the recommendation and~~  
16 ~~request that the agency temporarily suspend the operation of the rule.~~

17 ~~(f) Within [ ] days of receiving request for temporary suspension, the agency shall reply~~  
18 ~~in writing to the [Rules Review Committee] either agreeing to temporarily suspend the rule or~~  
19 ~~refusing to do so.~~

20 ~~(1) If the agency agrees to temporarily suspend the rule, then it shall cause notice~~  
21 ~~of the suspension to be published in the [administrative bulletin].~~

22 ~~(2) If the agency refuses to temporarily suspend the rule, then the [Rules Review~~

1 ~~Committee] shall cause notice of the refusal to suspend operation of the rule in the~~  
2 ~~[administrative bulletin]. Posting notice under this subparagraph shall suspend the operation of~~  
3 ~~the rule for [[ ] days] [until the end of the next regular session of the Legislature].]~~

#### 4 **Comment**

5 This is a type of veto that provides for cooperation between the Legislature and the  
6 Governor, and attempts to avoid the Chadha v. I.N.S problem of unconstitutionality by delaying  
7 the effective date of the rule until the legislature has the opportunity to enact legislation to annul  
8 or modify it. The governor may veto the act by which the legislature seeks to annul or modify  
9 the rule. This type of veto provision is widely used in the states.

1 [ARTICLE 8]

2

3 **SECTION 801. EFFECTIVE DATE.** This [act] takes effect on [date] and governs all

4 agency proceedings, and all proceedings for judicial review or civil enforcement of agency

5 action, commenced after that date. The [act] does not govern adjudications for which notice was

6 given prior to that date under Section 403 and all rulemaking proceedings for which notice was

7 given or a petition filed before that date.

8 **Comment**

9

10 Section 801 is based on Section 1-108 of the 1981 MSAPA. See Also California

11 Government Code Sections 11400.10, and 11400.20 (operative date of California APA

12 revisions). Agency proceedings on remand following judicial review after the act takes effect are

13 governed by the prior law.