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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](#)[May 21, 2008](#)

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PROCEDURE ACT**

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

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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.

<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,

## **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, 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

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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.

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**

2  
3                                   **[ARTICLE] 1**

4                                   **GENERAL PROVISIONS**

5  
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  
23 Section 302, the emergency rulemaking record in rulemaking governed by Section 309(a), the

1 | expedited rulemaking record in rulemaking governed by Section 309(b), the agency hearing  
2 | record in an adjudication governed by Section 407, and the agency record in informal and  
3 | emergency cases 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  
21 | caption in a record with a page number, hyperlink, or any other connector that links the list with  
22 | the record to which it refers.

23 | (13) “Informal adjudication” means an adjudication in a contested case in which the

1 presiding officer is permitted to follow an informal procedure.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18 (E) an opinion of the ~~a~~Attorney ~~g~~General;

19 (F) a statement that establishes criteria or guidelines to be used by the staff of an  
20 agency in performing audits, investigations, or inspections, settling commercial disputes,  
21 negotiating commercial arrangements, or in the defense, prosecution, or settlement of cases, if  
22 disclosure of the criteria or guidelines would enable law violators to avoid detection, facilitate  
23 disregard of requirements imposed by law, or give a clearly improper advantage to persons

1 | ~~that~~who are in an adverse position to the state;

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

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

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

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

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

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

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

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

#### 14 | **Comment**

15 | Adjudication. This definition gives the general meaning of adjudication that distinguishes  
16 | it from rulemaking. See California Government Code Section 11405.20. This Act and the  
17 | definitions in this Section also identify some categories of adjudication that require procedure  
18 | specified in this Act to be used to reach a decision. For example, the term contested case,  
19 | defines a subset of adjudications that must be conducted as prescribed in Article 4 of this Act.  
20 |

21 | Agency. The object of this definition is to subject as many state actors as possible to this  
22 | definition. See 1981 MSAPA Section 1-102(1). The exception for the governor means the  
23 | governor personally.  
24 |

25 | Agency Action. This definition is added for purposes of identifying those matters subject  
26 | to judicial review. Failure to issue an order or rule is not judicially reviewable except as provided  
27 | in Section 501(a) of the Act. Failure to issue an order or rule does not include an agency denial  
28 | of a petition to initiate rulemaking. See Section 317 of the Act. This definition is taken from  
29 | 1981 MSAPA Section 1-102(2).  
30 |

31 | Agency Head. This definition differentiates between the agency as an organic whole and  
32 | the particular persons (commissioners, board members or the like) in whom final authority is

1 vested. This definition is taken from 1981 MSAPA Section 1-102(3).

2  
3 Contested case. This term is similar to the “contested case” definition of the 1961  
4 MSAPA. Like the 1961 MSAPA, this Act looks to external sources such as statutes to describe  
5 situations in which a party is entitled to a hearing. However, this term differs from the 1961  
6 MSAPA’s term “contested case” because it also includes hearings required by the constitution,  
7 federal or state, and makes provision in Article 4 for the type of hearing to be held in a case  
8 where a constitution creates the right to a hearing. Including constitutionally created rights to a  
9 hearing within the provisions of this Act eliminates the problem of looking outside the Act to  
10 determine the type of hearing required in cases where the right to the hearing is created by  
11 constitution. Hearing rights created by judicial decisions means constitutional decisions by  
12 appellate courts. See Goldberg v. Kelley, 397 U.S. 254 (1970), and Goss v. Lopez 419 U.S. 565  
13 (1975). Contested cases do not include investigatory hearings, pure administrative process  
14 proceedings such as tests, elections, or inspections, and situations in which a party has a right to  
15 a de novo administrative or judicial hearing. See Section 401 of the Act. An agency may by rule  
16 make all or part of article 4 applicable to adjudication that does not fall within the requirements  
17 of Section 401, including hearing rights conferred by agency regulations. See California  
18 Government Code Section 11410.10. The scope of hearing rights is governed by law other than  
19 this act.

20  
21 Record. Modern electronic-age statutes such as the Uniform Computer Information  
22 Transactions Act and the Uniform Electronic Transactions Act adopt a broad definition of the  
23 term record that includes the term document. This act follows those definitions.

24  
25 Electronic. The term “electronic” refers to the use of electrical, digital, magnetic,  
26 wireless, optical, electromagnetic and similar technologies. It is a descriptive term meant to  
27 include all technologies involving electronic processes. The listing of specific technologies is not  
28 intended to be a limiting one. The definition is intended to assure that this act will be applied  
29 broadly as new technologies develop. For example, biometric identification technologies would  
30 be included if they affect communication and storage of information by electronic means. As  
31 electronic technologies expand and include other competencies, those competencies should also  
32 be included under this definition. The definition of the term “electronic” in this act has the same  
33 meaning as it has in UETA SECTION 2(5) and in the Uniform Real Property Electronic  
34 Recording Act.

35  
36 Electronic Record. This definition is identical to § 2(7) of the Uniform Electronic  
37 Transactions Act. An “electronic record” is a document that is in an “electronic” form.  
38 Documents may be communicated in electronic form; they may be received in electronic form;  
39 they may be recorded and stored in electronic form; and they may be received in paper copies  
40 and converted into an electronic record. This Act does not limit the type of electronic documents  
41 received by the [publisher]. The purpose of defining and recognizing electronic documents is to  
42 facilitate and encourage agency use of electronic communication and maintenance of electronic  
43 records.

44  
45 Emergency Adjudication. This definition is designed to be used with the emergency  
46 adjudication procedures provided by Section 408. The danger to the public health, safety, or

1 welfare standard requiring immediate action is a strict standard that is defined by law other than  
2 this Act. Federal and state case law have held that in an emergency situation an agency may act  
3 rapidly and postpone any formal hearing without violation, respectively, of federal or state  
4 constitutional law. FDIC v. Mallen, 486 U.S. 230 (1988); Gilbert v. Homar (1997) 520 U.S.  
5 924; Dep't of Agric. v. Yanes, 755 P.2d 611 (OK. 1987).  
6

7 -  
8 Guidance document. This definition is taken from the Michigan APA, M.C.L.A.  
9 24.203(6), and the Virginia APA, Va. Code Ann. SECTION 2.2-4001. See also the; Idaho I.C.  
10 SECTION 67-5250 and N.Y. McKinneys State Administrative Procedure Act, SECTION 102.  
11 This is a definition intended to recognize that there exist agency statements for the guidance of  
12 staff and the public that differ from, and that do not constitute, rules. Many states recognize such  
13 statements under the label “interpretive statement” or “policy statement.” See Wash. Rev. Code,  
14 SECTION 34.05.010(8) & (15). Later sections of this Act will provide for the publication and  
15 availability of this type of record so that they are not “secret” records. See: Michael Asimow,  
16 Guidance Documents in the States, 54 Adm. L. Rev. 631 (2002); Michael Asimow, California  
17 Underground Regulations, 44 Adm. L. Rev. 43 (1992).

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

21  
22 Internet website. This definition is designed to be used by agencies and publishers to  
23 comply with the requirements of Sections 201, 316, and 421 of this Act.  
24

25 -  
26 License. The definition of license is drawn largely from the 1961 MSAPA.

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

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

41 Presiding Officer. This definition includes an agency staff member, an administrative  
42 law judge or one or more members of the agency head when designated to preside at a hearing.  
43

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

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

18 **Written. This definition relates to the definition of record in Section 102(25) in that**  
19 **written documents are inscribed on a tangible medium. The definition of record in Section**  
20 **102(25) includes both tangible medium (written) and electronic documents.**

21 **SECTION 103. APPLICABILITY.** This [act] applies to all agencies unless the agency  
22 is expressly exempted by statutory law of this state.

23 **Comment**

24 This section is intended to define which agencies are subject to the provisions of this act.  
25 Many states have made use of an applicability provision to define the coverage of their  
26 Administrative Procedure Act. See: Iowa, I.C.A. SECTION 17A.23; Kansas, K.S.A. SECTION  
27 77-503; Kentucky, KRS SECTION 13B.020; Maryland, MD Code, State Government,  
28 SECTION 10-203; Minnesota, M.S.A. SECTION 14.03; Mississippi, Miss. Code Ann.  
29 SECTION 25-43-1.103; Washington, West’s RCWA 34.05.020.  
30

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

1 | ~~publication.~~

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

4 | (g) The [administrative bulletin] must contain:

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

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

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

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

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

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

20 | ~~(j)(j)~~ The [publisher] may make minor nonsubstantive corrections ~~correct minor,~~  
21 | ~~nonsubstantive errors~~ in spelling, grammar, and format in proposed or adopted rules after  
22 | notification of the agency. The [publisher] shall make a record of the corrections.

23 | ~~(k)(k)~~ An aAgencyyies shall make itstheir rules, guidance documents, and orders in

1 | contested cases ~~[unless otherwise protected by law]~~ available through electronic distribution as  
2 | ~~well as through the regular mail unless exempt from disclosure under law other than this act. -~~  
3 | An agency shall make these materials available through regular mail upon request for which the  
4 | agency may charge a reasonable fee.

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

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

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

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

## 22 | **Comment**

23 | This section seeks to assure adequate notice to the public of proposed agency action. It  
24 | also seeks to assure adequate record keeping and availability of records for the public. Article 2

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

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

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

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

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

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

42 It is possible to go much further in providing for use of the Internet that the publication  
43 adopted here. For example, a state could choose to permit agencies to operate their own  
44 websites, and to accept comments on rules on the website. They could also provide for  
45 maintenance of a database of all comments received that the public could access. These  
46 provisions are extremely useful, but may be quite expensive. The central system adopted here,

1 means only one Internet website is required. In terms of cost benefit, this is an effective method  
2 of providing for electronic communication and agency access.

3  
4 Subsection (h) requires the publisher to index the administrative code by subject. States  
5 can satisfy this requirement by providing an administrative code that is searchable by word on  
6 the internet.

7  
8 Subsection (j) provides for a limited nonsubstantive power to edit agency rules provided  
9 that the agency is notified by the rules [publisher] of the changes. Subsection (j) is based on the  
10 Maine Administrative Procedure Act, 5 M.R.S.A. Section 8056(10).

11  
12 Subsections (k) and (l) are drawn from the Washington Administrative Procedure Act.  
13 See WA ST 34.05.260.

## 14 15 **SECTION 202. REQUIRED AGENCY RULEMAKING AND**

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

18 (1) adopt as a rule a description of its organization, stating the general course and  
19 method of its operations and the methods ~~by which~~whereby the public may obtain information or  
20 make submissions or requests;

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

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

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

28 (5) file with the publisher in electronic format acceptable to the publisher the agency's  
29 ~~proposed rules~~; adopted rules, including rules adopted using the emergency process under  
30 Section 309(a) and rules adopted using the expedited process under Section 309(b)~~emergency-~~

1 ~~rules; direct final rules~~; notices; and orders issued in contested cases ~~[unless otherwise protected~~  
2 ~~by law] with the [publisher] in electronic format acceptable to the [publisher];~~

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

8 (7) maintain [custody of] the agency’s current rulemaking dockets required by Section  
9 302(b).

#### 10 **Comment**

11  
12 One object of this section is to make available to the public all procedures followed by  
13 the agency, including especially how to file for a license or benefit. It is modeled on the 1961  
14 Model State Administrative Procedure Act, Sections 2(a) (4) & 2(b), the 1981 Model State APA  
15 Sections 2-104(1),(2), and the Kentucky Administrative Procedure Act, KRS Section 13A.100.  
16 Persons seeking licenses or benefits should have a readily available and understandable reference  
17 sources from the agency. A second reason is to eliminate “secret law” by making all guidance  
18 documents used by the agency available from the agency and the administrative [publisher].

19  
20 Agencies could use expedited rulemaking procedures under Section 309(b) to adopt some  
21 of the rules required by subsections (1), (2), (3), and (4).

#### 23 **SECTION 203. DECLARATORY ORDER.**

24 (a) Any interested person may petition an agency for a declaratory order that states  
25 whether or in what manner a rule, guidance document, or order issued by the agency applies or  
26 does not apply to the petitioner.

27 (b) Each agency shall adopt rules prescribing the form of a petition for purposes of  
28 subsection (a) and the procedure for its submission, consideration, and prompt disposition. The  
29 provisions of this [act] for formal, informal, or other applicable hearing procedure do not apply

1 to an agency proceeding for a declaratory order, except to the extent provided in this [article] or  
2 to the extent the agency so provides by rule or order.

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

6 (d) If an agency declines to consider a petition submitted under subsection (a), it shall promptly  
7 notify in ~~writing [or in a record]~~ the ~~petitionerrson who filed the petition~~ of its decision and  
8 include a brief statement of the reasons for declining. An agency decision to decline to issue a  
9 declaratory order is judicially reviewable in court for abuse of discretion.

10  
11 **ALTERNATIVE 1**

12  
13 ~~An agency decision to decline to issue a declaratory order is not subject to judicial~~  
14 ~~review.~~

15 **ALTERNATIVE 2**

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

18 **END OF ALTERNATIVES**

19 (e) If an agency issues a declaratory order, the order must contain the names of all  
20 parties to the proceeding, the particular facts on which it is based, and the reasons for the  
21 agency's conclusion. A declaratory order has the same status and binding effect as an order  
22 issued in an adjudication. Declaratory orders are subject to judicial review under Section 501.

23 **Comment**  
24

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

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

14  
15 Subsection (e) is based on the California APA, West's Ann.Cal.Gov.Code Section  
16 11465.60; and the Washington APA, West's RCWA 34.05.240. A declaratory decision issued  
17 by an agency is judicially reviewable; is binding on the applicant, other parties to that  
18 declaratory proceeding, and the agency, unless reversed or modified on judicial review; and has  
19 the same precedential effect as other agency adjudications. A declaratory decision, like other  
20 decisions, only determines the legal rights of the particular parties to the proceeding in which it  
21 was issued. The requirement in subdivision (e) that each declaratory decision issued contain the  
22 facts on which it is based and the reasons for its conclusion will facilitate any subsequent judicial  
23 review of the decision's legality. It also ensures a clear record of what occurred for the parties  
24 and for persons interested in the decision because of its possible precedential effect.

25  
26 **[SECTION 204. DEFAULT PROCEDURAL RULES.]**

27 | (a) The [gGovernor] [aAttorney gGeneral] [designated state agency] shall adopt default  
28 | procedural rules for use by agencies. The default rules must provide for the procedural functions  
29 | and duties of as many agencies as is practicable.

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

32 | (c) An agency may adopt a rule of procedure that differs from the default procedural  
33 | rules adopted under subsection (a) by adopting a rule that states with particularity the need and  
34 | reasons for the variation from the default procedural rules.]

35 **Comment**

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

1  
2 [ARTICLE] 3

3 RULEMAKING; ADOPTION AND EFFECTIVENESS OF RULES

4  
5 SECTION 301. CURRENT RULEMAKING DOCKET.

6 (a) As used in this ~~section~~article, “rule” does not include a rule adopted using the  
7 emergency process under Section 309(a)~~an emergency rule adopted under Section 309(a)~~ or a  
8 rule adopted 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 1**

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

24 **ALTERNATIVE 2**

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

2 **~~END OF ALTERNATIVES~~**

3 **Comment**

4  
5 This section is modeled on Minn. M.S.A. Section 14.366. This section and the following  
6 section, Section 302 state the minimum docketing and rulemaking record keeping requirements  
7 for all agencies. This section also recognizes that many agencies use electronic recording and  
8 maintenance of dockets and records. However, for smaller agencies, the use of electronic  
9 recording and maintenance may not be feasible. This section therefore permits the use of  
10 exclusively written, hard copy dockets. The current rulemaking docket is a summary list of  
11 pending rulemaking proceedings or an agenda referring to pending rulemaking. This section  
12 includes expedited rules governed by Section 309.  
13

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

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

22 (b) A rulemaking record must contain:

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

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

27 (3) all written or electronic petitions, requests, submissions, and comments  
28 received by the agency and all other written or electronic materials or records whether or not

1 | relied upon ~~for all relevant information received by the agency in the rulemaking proceeding~~ by  
2 | the agency in connection with the proceeding upon which the rule is based;

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

7 | (5) a copy of the rule and explanatory statement filed with the ~~in the office of the~~  
8 | [publisher]; and

9 | (6) all petitions for any agency action on the rule except for petitions governed  
10 | by Section 203.

11 | **Comment**

12 |  
13 | Several states have adopted this type of agency rule-making record provisions: Az.,  
14 | A.R.S. Section 41-1029; Colo., C.R.S.A. Section 24-4-103; Minn., M.S.A. Section 14.365;  
15 | Miss., Miss. Code Ann. Section 25-43-3.110; Mont., MCA 2-4-402; Okl., 75 Okl.St. Ann.  
16 | Section 302; and Wash., RCWA 34.05.370.

17 |  
18 | The language of subsection (a) is based on Section 3-112(a) of the 1981 Model Act.  
19 | Similar language is found in the Washington Administrative Procedures Act, RCWA Section  
20 | 34.05.370. The requirement of an official agency rulemaking record in subsection (a) should  
21 | facilitate a more structured and rational agency and public consideration of proposed rules. It  
22 | will also aid the process of judicial review of the validity of rules. The requirement of an official  
23 | agency rulemaking record was suggested for the Federal Act in S. 1291, the “Administrative  
24 | Practice and Regulatory Control Act of 1979,” title I, Section 102(d), [5 U.S.C. 553(d) ], 96  
25 | Cong.Rec. S7126 at S7129 (daily ed. Jun. 6, 1979) (Sen. Kennedy).

26 |  
27 | Subsection (b) requires *all written* submissions made to an agency and *all written*  
28 | materials considered by an agency in connection with a rulemaking proceeding to be included in  
29 | the record. It also requires a copy of any existing record of oral presentations made in the  
30 | proceeding to be included in the rulemaking record.  
31 |

32 | **SECTION 303. ADVANCED NOTICE OF PROPOSED RULEMAKING;**  
33 | **NEGOTIATED RULEMAKING ADVICE ON POSSIBLE RULE BEFORE NOTICE OF**

1 | **~~PROPOSED RULE ADOPTION.~~**

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

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

15 | (c) ~~Except as otherwise provided by law, nothing in this~~ ~~This~~ section ~~does not~~ prohibits  
16 | agencies from obtaining information and opinions from members of the public on the subject of  
17 | the rulemaking by any other method or procedure used in rulemaking.

18 | **Comment**

19 |  
20 | This section is based upon the provisions of Section 3-101 of the 1981 MSAPA. Seeking  
21 | advice before proposing a rule frequently alerts the agency to potential serious problems that will  
22 | change the notice of proposed rulemaking and the rule ultimately adopted. This section is  
23 | designed to encourage gathering information. It is not intended to prohibit any type of  
24 | reasonable agency information gathering activities; however, the section seeks to insure that  
25 | agencies act in a fashion that will result in a balance among interested groups from whom  
26 | information is received.

27 |  
28 | Several states have enacted provisions of this type in their APAs. Some of them merely  
29 | authorize agencies to seek informal input before proposing a rule; several of them indicate that

1 the purpose of this type of provision is to promote negotiated rulemaking. Those states are Idaho,  
2 I.C. § 67-5220; Minnesota, M.S.A. § 14.101; Montana, MCA 2-4-304; and Wisconsin, W.S.A.  
3 227.13. Subsection (b) is intended to authorize negotiated rulemaking.

4  
5 Subsection (c) authorizes agencies to use other methods to obtain information and  
6 opinions. Under subsection (c), agencies may meet informally with specific stakeholders to  
7 discuss issues raised in the negotiated rulemaking process. Negotiated rulemaking under  
8 subsection (b) is an option for agency use but is not required to be used prior to starting a  
9 rulemaking proceeding. Negotiated rulemaking committees are also used in federal  
10 administrative law. 5 U.S.C. Sections 564 to 566.

11  
12 **SECTION 304. NOTICE OF PROPOSED RULE ~~MAKING ADOPTION.~~**

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

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

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

20 ;

21 (3) the text of the rule proposed for adoption, amendment, or repeal;  
22 proposed;

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

25 proposed; and

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

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

### 8 Comment

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

### 16 SECTION 305. REGULATORY ANALYSIS.

17 (a) An agency shall prepare a regulatory analysis for a rule proposed to be  
18 adopted , amended, or repealed ~~proposed~~ by the agency ~~{~~having an estimated economic impact  
19 of more than [\$ ]. ~~{Add to (a)}~~ [An agency shall prepare a regulatory analysis for any rule  
20 proposed to be adopted , amended, or repealed by the agency having an estimated economic  
21 impact of less than [\$ ], if, not later than~~within~~ [20] days after the notice of the proposed  
22 adoption, amendment , or repeal ~~of the rule of the rule~~ is published, a written request for the  
23 analysis is filed with the agency by [the ~~g~~Governor] [,] [another agency] [,] [or] [a member of the  
24 Legislature]. The agency shall then prepare a regulatory analysis of the rule proposed to be  
25 adopted , amended, or repealed ~~proposed rule~~].

26 (b) ~~{~~An agency shall prepare a negative declaration statement ~~statement~~ of no estimated

1 economic impact ~~or no estimated fiscal impact~~ for any rule proposed to be adopted , amended, or  
2 repealed by the agency the adoption, amendment, or repeal of which ~~that~~ has no economic ~~or~~  
3 fiscal impact ~~from adoption of the rule.~~}]

4 (c) A regulatory analysis must contain:

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

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

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

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

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

16 (e) An agency preparing a regulatory analysis under this section shall file the analysis  
17 with the [publisher] in the manner provided in Section 315 [and submit it to the [regulatory  
18 review agency] [department of finance and revenue] [other]].

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

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

23 (2) the end of the period during which a hearingn oral proeeding may be

1 requested; or

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

#### 4 **Comment**

5  
6 Regulatory analyses are widely used as part of the rulemaking process in the states. The  
7 subsection also provides for submission to the rules review entity in the state, if the state has one.  
8 States that already have regulatory analysis laws can utilize the provisions of Section 305 to the  
9 extent that this section is not inconsistent with existing law other than this act. Agencies may  
10 rely upon agency staff expertise and information provided by interested stakeholders and  
11 participants in the rulemaking process. Agencies are not required by this act to hire and pay for  
12 private consultants to complete regulatory impact analysis.  
13

#### 14 **SECTION 306. PUBLIC PARTICIPATION.**

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

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

21 (c) Unless a ~~public~~-hearing is required by law other than this [act], an agency is not  
22 required to hold a ~~public~~ hearing on a rule proposed to be adopted, amended, or repealed. If an  
23 agency does hold a ~~public~~-hearing, the agency may allow a persons to make an oral presentation  
24 with-information and comments about with respect to-the rule-~~orally~~. ~~Hearings~~Oral proceedings  
25 must be open to the public and ~~shall~~may be recorded.

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

1 (e) An agency representative shall preside at a **public** hearing on a rule proposed to be  
2 adopted, amended, or repealed. If the presiding agency representative is not the agency head, the  
3 representative shall prepare a memorandum for consideration by the agency head summarizing  
4 the contents of the presentations made at the hearingoral-proceeding.

5 **Comment**  
6

7 This section gives discretion to the agency about whether to hold an oral hearing on  
8 proposed rules in the absence of a statutory or constitutional requirement that an oral hearing be  
9 held.  
10

11 **SECTION 307. FINAL ADOPTION.**

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

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

19 (c) [With the approval of the **g**Governor, an agency may obtain one extension of the  
20 period specified in subsection (b). The **g**Governor, by executive order, may impose an extension  
21 of the period of [ ] days if there is a change in the rule from the rule initially proposed.]

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

24 **COMMENT**

25 This section codifies the final adoption and filing for publication requirements for  
26 rulemaking that is subject to the procedures provided in sections 304 to 308 of this Act. Section  
27 702(a) of this act requires that the agency shall file a copy of the adopted amended or repealed

1 rule with the rules review committee at the same time it is filed with the publisher. Subsection  
2 (d) provides that a rule that is not properly adopted and filed for publication has no legal effect.  
3

#### 4 SECTION 308. VARIANCE BETWEEN PROPOSED RULE AND ADOPTED

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

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

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

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

#### 16 Comment

17  
18 This section draws upon provisions from several states. See Mississippi Administrative  
19 Procedure Act, Miss. Code Ann. Section 25-43-3.107 and the Minn. Administrative Procedure  
20 Act, M.S.A. Section 14.05. The following cases discuss and analyze the logical outgrowth test,  
21 and this section seeks to incorporate the factors identified in those cases. These judicial opinions  
22 also convey the wide acceptance and use of the logical outgrowth test in the states. *First Am.*  
23 *Discount Corp. v. Commodity Futures Trading Comm'n*, 222 F.3d 1008, 1015 (D.C.Cir.2000);  
24 *Arizona [publisher]. Serv. Co. v. EPA*, 211 F.3d 1280, 1300 (D.C.Cir.2000); *American Water*  
25 *Works Ass'n v. EPA*, 40 F.3d 1266, 1274 (D.C.Cir.1994); *Trustees for Alaska v. Dept. Nat.*  
26 *Resources*, \_\_\_AK\_\_\_, 795 P.2d 805 (1990); *Sullivan v. Evergreen Health Care*, 678 N.E.2d  
27 129 (Ind. App. 1997); *Iowa Citizen Energy Coalition v. Iowa St. Commerce Comm.* \_\_\_IA\_\_\_,  
28 335 N.W.2d 178 (1983); *Motor Veh. Mfrs. Ass'n v. Jorling*, 152 Misc.2d 405, 577 N.Y.S.2d 346  
29 (N.Y.Sup.,1991); *Tennessee Envir. Coun. v. Solid Waste Control Bd.*, 852 S.W.2d 893 (Tenn.  
30 App. 1992); *Workers' Comp. Comm. v. Patients Advocate*, 47 Tex. 607, 136 S.W.3d 643 (2004);  
31 *Dept. Of [publisher]. Svc. re Small Power Projects*, 161 Vt. 97, 632 A.2d 13 73 (1993); *Amer.*  
32 *Bankers Life Ins. Co. v. Div. of Consumer Counsel*, 220 Va. 773, 263 S.E.2d 867 (1980).  
33

1 | **SECTION 309. EMERGENCY RULEMAKING RULES; EXPEDITED**

2 | **RULEMAKING.**

3 | (a) If an agency finds that an imminent peril to the public health, safety, or welfare,  
4 | including the ~~imminent~~ loss of federal funding for agency programs, requires the immediate  
5 | adoption, amendment, or repeal of a rule and states in a record its reasons for that finding, the  
6 | agency, without prior notice or hearing or upon any abbreviated notice and hearing that it finds  
7 | practicable, may adopt, amend, or repeal ~~an emergency~~ rule without complying with Sections  
8 | 304 to 308. The adoption amendment, or repeal ~~An emergency rule~~ may be effective for not  
9 | longer than [180] days [renewable once up to an additional [180] days]. The adoption,  
10 | amendment or repeal ~~of an emergency rule~~ does not preclude adoption, amendment, or repeal -of  
11 | an identical rule under Sections 304 through 308. The agency shall file under Section  
12 | 315 ~~publish an emergency~~ rule not later than within [ ] days of the adoption, amendment, or  
13 | repeal under the subsection and shall ~~personally~~ notify persons ~~known to the agency who may~~  
14 | ~~be affected by the emergency rule~~ ~~for~~ who have requested notice ~~of rules related to that subject~~  
15 | matter.

16 | (b) If an agency proposes to adopt, amend, or repeal a rule and that action is expected to  
17 | be noncontroversial, it may ~~use~~ adopt an expedited process ~~rule~~ in accordance with this  
18 | subsection. ~~An expedited rule adopted, amended, or repealed under this subsection is subject to~~  
19 | ~~Sections 202 and 304, and~~ must be published in the [administrative bulletin] along with a  
20 | statement by the agency setting out the reasons for using expedited rulemaking. If an objection to  
21 | the use of the expedited rulemaking process is received within the public comment period from  
22 | any person, the agency shall file notice of the objection with the ~~[[publisher]]~~ for publication in  
23 | the [administrative bulletin] and proceed with the normal rulemaking process specified in

1 ~~Sections 304 to 308 set out in this [article]~~, with the initial publication of the ~~expedited~~ rule  
2 serving as the notice of the proposed adoption, amendment, or repeal of a rule.

### 3 **Comment**

4  
5 This section is taken from the 1961 MSAPA, Section 3(2)(b), and the Virginia  
6 Administrative Procedure Act, Va. Code Ann. Section 2.2-4012.1. Some state courts have  
7 indicated that *any* exemption from rulemaking requirements must be strictly construed to be  
8 limited to an emergency or virtual emergency situation.

9  
10 Subsection (a) can be used to adopt program requirements necessary to comply with  
11 federal funding requirements, or to avoid suspension of federal funds for noncompliance with  
12 program requirements.

13  
14 Subsection (b) is based upon a recommendation from the Administrative Conference of  
15 the United States. Direct final rulemaking has been recommended by the Administrative  
16 Conference of the United States [ACUS Recommendation 95-4, 60 Fed. Reg. 43110 (1995)].  
17 The study that provided the basis for the recommendation was prepared by Professor Ron Levin  
18 and has been published [Ronald M. Levin, "Direct Final Rulemaking" 64 George Washington  
19 Law Review 1 (1995)]. [However, recognizing that there may be a few other justifications for  
20 exemption, this section adopts a broader rule for matters that will be noncontroversial. Thus, a  
21 situation where the agency is merely making a stylistic correction or correcting an error that the  
22 agency believes is noncontroversial may be adopted without formal rulemaking procedures. See  
23 the VA Fast-Track Rule provision at Va. Code Ann. Section 2.2-4012.1.]

24  
25 In order to prevent misuse of this procedural device, noncontroversial rule promulgation  
26 requires the consent of elected officials, and may be prevented by the requisite number of  
27 persons filing objections.  
28

## 29 **SECTION 310. GUIDANCE DOCUMENTS.**

30 (a) An agency may issue a guidance document without following the procedures set forth  
31 in Sections 304 through 308. Guidance documents do not have the force of law and do not  
32 constitute an exercise of an agency's delegated authority, if any, to establish the rights or duties  
33 of any person.

34 ~~.(a) An agency may issue a guidance document. An agency may not issue a guidance document~~  
35 ~~in place of a rule. A guidance documents does not have the force of law and may not prescribe~~  
36 ~~the rights and duties of persons subject to agency regulation under a delegation of authority to~~

1 ~~that agency.~~

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

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

6 (b) An agency that proposes to rely on a guidance document to the detriment of a person  
7 in any administrative proceeding must afford that person a fair opportunity to contest the legality  
8 or wisdom of positions taken in the document. The agency may not use a guidance document to  
9 foreclose consideration of issues raised in the document.

10 ~~(d) A reviewing court may not give deference to a guidance document and shall~~  
11 ~~determine de novo the validity of a guidance document. A reviewing court may consider whether~~  
12 ~~the agency followed the guidance document and may [or must] enforce the guidance document~~  
13 ~~against the agency.~~

14 (c) A guidance document may contain binding instructions to agency staff members,  
15 provided that the agency's procedures also afford to affected persons, in compliance with  
16 subsection (b), an adequate opportunity to contest positions taken in the document at an  
17 appropriate stage in the administrative process.

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

20 d) When an agency proposes to act at variance with a position expressed in a guidance  
21 document, it shall provide a reasonable explanation for the departure. If affected persons may  
22 have reasonably relied on the agency's position, the explanation shall include a reasonable  
23 justification for the agency's conclusion that the need for the departure outweighs such persons'

1 reliance interests.

2 (e) Each agency shall publish all currently operative guidance documents and may file  
3 the guidance document with the [publisher].

4 (f) Each agency shall maintain an index of all of its currently operative guidance  
5 documents, file the index with the [publisher] on or before January 1 of each year, make the  
6 index readily available for public inspection, and make available for public inspection the full  
7 text of all guidance documents to the extent inspection is permitted by law. Upon request, an  
8 agency shall make copies of guidance indexes or guidance documents available without charge;  
9 at cost; or, where authorized by law, on payment of a reasonable fee. If any agency does not  
10 index a guidance document, the agency may not rely on that guidance document or cite it as  
11 precedent against any party to a proceeding, unless that party has actual and timely notice of the  
12 guidance document.

13 (g) A person may petition under section 317 to request an agency to adopt a rule in place  
14 of an existing guidance document.

15 (h) A person may petition an agency to revise or repeal an existing guidance document.  
16 Not later than [60] days after submission of such a petition, the agency shall: (1) revise or repeal  
17 the guidance document; (2) initiate a proceeding for the purpose of considering such a revision  
18 or repeal; or (3) deny the petition in a record and state its reasons for the denial.

19 ~~(f) Each agency shall maintain an index of all of its currently operative guidance~~  
20 ~~documents, file the index with the [publisher] on or before January 1 of each year, make the~~  
21 ~~index readily available for public inspection, and make available for public inspection the full~~  
22 ~~text of all guidance documents to the extent inspection is permitted by law. Upon request, an~~  
23 ~~agency shall make copies of guidance indexes or guidance documents available without charge,~~

1 ~~at cost, or on payment of a reasonable fee. If any agency does not index a guidance document,~~  
2 ~~the burden of proof shall be upon the agency in any proceeding to establish that a party was not~~  
3 ~~entitled to rely upon the guidance document.~~

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

## 6 **Comment**

7  
8 ~~This section seeks to encourage an agency to advise the public of its current opinions,~~  
9 ~~approaches, and likely courses of action by using guidance documents (also commonly known as~~  
10 ~~interpretive rules and policy statements). The section also recognizes agencies' need to~~  
11 ~~promulgate such documents for the guidance of both its employees and the public. Agency law~~  
12 ~~often needs interpretation, and agency discretion needs some channeling. The public needs to~~  
13 ~~know the agency's opinion about the meaning of the law and rules that it administers. Increasing~~  
14 ~~public knowledge and understanding reduces unintentional violations and lowers transaction~~  
15 ~~costs. See Michael Asimow, "California Underground Regulations," 44 Admin. L. Rev. 43~~  
16 ~~(1992); Peter L. Strauss, "Publication Rules in the Rulemaking Spectrum: Assuring Proper~~  
17 ~~Respect for an Essential Element," 53 Admin. L. Rev. 803 (2001). This section strengthens~~  
18 ~~agencies' ability to fulfill these legitimate objectives by excusing them from having to comply~~  
19 ~~with the full range of rulemaking procedures before they may issue these nonbinding statements.~~  
20 ~~At the same time, the section incorporates safeguards to ensure that agencies will not use~~  
21 ~~guidance documents in a manner that would undermine the public's interest in administrative~~  
22 ~~openness and accountability.~~

23  
24 ~~Four states have adopted detailed provisions regulating guidance documents in their~~  
25 ~~administrative procedure acts. See Ariz. Rev. Stat. Ann. §§ 41-1001, 41-1091; Mich. Comp.~~  
26 ~~Laws §§ 24.203, 24.224; Va. Code Ann. § 2.2-4008; Wash. Rev. Code Ann. § 34.05.230. This~~  
27 ~~section draws upon those provisions, and also upon requirements and recommendations issued~~  
28 ~~by federal authorities and the American Bar Association.~~

29  
30 ~~This section draws upon the provisions of the Arizona, Michigan, Virginia, and~~  
31 ~~Washington Administrative Procedure Acts. See: A.R.S. § 41-1001 & A.R.S. § 41-1091;~~  
32 ~~M.C.L.A. 24.203 & M.C.L.A. 24.224; Va. Code Ann. Section 2.2-4008; and WA RCWA §~~  
33 ~~34.05.230.~~

34  
35 ~~This section seeks to encourage an agency to advise the public of its current opinions,~~  
36 ~~approaches, and likely courses of action by means of guidance documents. This section also~~  
37 ~~recognizes the need for guidance documents that an agency will prepare 1) as a guide to its~~  
38 ~~employees and 2) as a guide to the public. Agency law often needs interpretation, and agency~~  
39 ~~discretion needs some channeling. The public needs to know the agency opinion about the~~  
40 ~~meaning of the law and rules that it administers. Increasing public knowledge and understanding~~  
41 ~~reduces unintentional violations and lowers transaction costs. See Michael Asimow, *California*~~

1 Underground Regulations, 44 Admin. L. Rev. 43 (1992); Peter Strauss, The Rulemaking-  
2 Continuum, 44 Duke L. J. 1463 (1992). Exeusing the agency from full procedural rulemaking for  
3 guidance documents furnishes a powerful economic incentive for agencies to use these devices-  
4 to inform their employees and the public.-

5  
6 Subsection (a) exempts guidance documents from the procedures that are required for  
7 issuance of rules. Many states have recognized the need for this type of exemption in their  
8 administrative procedure statutes. These states have defined guidance documents—or  
9 interpretive rules and policy statements—differently from rules, and have also excused agencies  
10 creating them from some or all of the procedural requirements for rulemaking. See Ala. Code §  
11 41-22-3(9)(c) (“memoranda, directives, manuals, or other communications which do not  
12 substantially affect the legal rights of, or procedures available to, the public”); Colo. Rev. Stat. §  
13 24-4-102(15), 24-4-103(1) (exception for interpretive rules or policy statements “which are not  
14 meant to be binding as rules”); AMAX, Inc. v. Grand County Bd. of Equalization, 892 P.2d 409,  
15 417 (Colo. Ct. App. 1994) (assessors’ manual is interpretive rule); Ga. Code Ann. § 50-13-4  
16 (“Prior to the adoption, amendment, or repeal of any rule, other than interpretive rules or  
17 general statements of policy, the agency shall [follow notice-and-comment procedure]”)  
18 (emphasis added); Mich. Comp. Laws § 24.207(h) (defining “rule” to exclude “[a] form with  
19 instructions, an interpretive statement, a guideline, an informational pamphlet, or other material  
20 that in itself does not have the force and effect of law but is merely explanatory”); Wyo. Stat.  
21 Ann. § 16-3-103 (“Prior to an agency’s adoption, amendment or repeal of all rules other than  
22 interpretative rules or statements of general policy, the agency shall . . .”) (emphasis added); In  
23 re GP, 679 P.2d 976, 996-97 (Wyo. 1984). See also Michael Asimow, “Guidance Documents in  
24 the States: Toward a Safe Harbor,” 54 Admin. L. Rev. 631 (2002) (estimating that more than  
25 thirty states have relaxed rulemaking requirements for agency guidance documents such as  
26 interpretive and policy statements). The federal Administrative Procedure Act draws a similar  
27 distinction. See 5 U.S.C. § 553(b)(A) (exempting “interpretative rules [and] general statements  
28 of policy” from notice-and-comment procedural requirements).

29  
30 The second sentence of subsection (a) sets forth the fundamental proposition that a  
31 guidance document, in contrast to a rule, lacks the force of law. Many state and federal  
32 decisions recognize the distinction. See, e.g., Brock v. Cathedral Bluffs Shale Oil Co., 796 F.2d  
33 533  
34 (D.C. Cir. 1986); District of Columbia v. Craig, 930 A.2d 946, 968-69 (D.C. 2007); Clonlara v.  
35 State Bd. of Educ., 501 N.W.2d 88, 94 (Mich. 1993); Penn. Human Relations Comm’n v.  
36 Norristown Area School Dist., 374 A.2d 671, 678 (Pa. 1977).

37  
38 Many states have recognized the need for this type of exemption in their statutes. They  
39 are also referred to as interpretive statements or policy statements. These states have defined  
40 interpretive and policy statements differently from rules, and also excused agencies creating  
41 them from some or all of the procedural requirements for rulemaking. See Ala. Ala. Code  
42 Section 41-22-3(9)(e) (2000) (“memoranda, directives, manuals, or other communications which  
43 do not substantially affect the legal rights of, or procedures available to, the public.”); Colo.  
44 Colo. Rev. Stat. Section 24-4-102(15), 24-4-103(1) (exception for interpretive rules or policy  
45 statements “which are not meant to be binding as rules”); AMAX, Inc. v. Grand County Bd. of  
46 Equalization, 892 P.2d 409, 417 (Colo. Ct. App. 1994) (assessors’ manual is interpretive rule)

1 (~~2001~~); Ga. Ga. Code Ann., Section 50-13-4 (“Prior to the adoption, amendment, or repeal of  
2 any rule, other than interpretive rules or general statements of policy, the agency shall”)  
3 (emphasis added); Mich, M.C.L.A. 24.207(h) (excepts “A form with instructions, an interpretive  
4 statement, a guideline, an informational pamphlet, or other material that in itself does not have  
5 the force and effect of law but is merely explanatory.”). Wyoming, WY ST Section 16-3-103  
6 (“Prior to an agency’s adoption, amendment or repeal of all rules *other than interpretative rules  
7 or statements of general policy*, the agency shall”) (emphasis added) and see *In re GP*, 679 P.2d  
8 976, 996-97 (Wyo. 1984). See also, Michael Asimow, *Guidance Documents in the States:  
9 Toward a Safe Harbor*, 54 Admin. L. Rev. 631(2002). (Professor Asimow estimates that more  
10 than thirty states have adopted some provision for agency guidance documents such as  
11 interpretive and policy statements).

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

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

26  
27 Subsection (b) requires an agency to allow affected persons to challenge the legality or  
28 wisdom of guidance documents when it seeks to rely on such documents to their detriment. In  
29 effect, this subsection prohibits an agency from treating guidance documents as though they  
30 were rules. Because rules have the force of law (i.e., are binding), an agency need not respond to  
31 criticisms of their legality or wisdom during an adjudicative proceeding; the agency would be  
32 obliged in any event to adhere to them until such time as they have been lawfully rescinded or  
33 invalidated. In contrast, a guidance document is not binding. Therefore, when affected persons  
34 seek to contest a position expressed in a guidance document, the agency may not treat the  
35 document as determinative of the issues raised. See Recommendation 120C of the American Bar  
36 Association, 118-2 A.B.A. Rep. 57, 380 (August 1993) (“When an agency proposes to apply a  
37 nonlegislative rule . . . , it [should] provide affected private parties an opportunity to challenge  
38 the wisdom or legality of the rule [and] not allow the fact that a rule has already been made  
39 available to the public to foreclose consideration of [their] positions”).

40  
41 An integral aspect of a fair opportunity to challenge a guidance document is the agency’s  
42 responsibility to respond reasonably to arguments made against the document. Thus, when  
43 affected persons take issue with propositions expressed in a guidance document, the agency  
44 “must be prepared to support the policy just as if the [guidance document] had never been  
45 issued.” Pacific Gas & Elec. Co. v. FPC, 506 F.2d 33, 38 (D.C. Cir. 1974); see Center for Auto  
46 Safety v. NHTSA, 452 F.3d 798, 807 (D.C. Cir. 2006); Professionals and Patients for

1 Customized Care v. Shalala, 56 F.3d 592, 596 (5th Cir. 1995); American Mining Cong. v.  
2 MSHA, 995 F.2d 1106, 1111 (D.C. Cir. 1993).

3  
4 An agency may not, therefore, treat its prior promulgation of a guidance document as a  
5 justification for not responding to arguments against the legality or wisdom of the positions  
6 expressed in such a document. Flagstaff Broadcasting Found. v. FCC, 979 F.2d 1566 (D.C. Cir.  
7 1992); Bechtel v. FCC, 957 F.2d 873 (D.C. Cir. 1992); Giant Food Stores, Inc. v.  
8 Commonwealth, 713 A.2d 177, 180 (Pa. Cmwlth. 1998); Agency Policy Statements,  
9 Recommendation 92-2 of the Admin. Conf. of the U.S. (ACUS), 57 Fed. Reg. 30,103 (1992), ¶  
10 II.B. An agency may, however, refer to a guidance document during a subsequent administrative  
11 proceeding and rely on its reasoning, if it also recognizes that it has leeway to depart from the  
12 positions expressed in the document. See, e.g., Steeltech, Ltd. v. USEPA, 273 F.3d 652, 655-56  
13 (6th Cir. 2001) (upholding decision of ALJ who “expressly stated that the [guidance document]  
14 was not a rule and that she had the discretion to depart from [it], if appropriate,” but who adhered  
15 to the document upon determining “that the present case does not present circumstances that  
16 raise policy issues not accounted for in the [document]”); Panhandle Producers & Royalty  
17 Owners Ass’n v. Econ. Reg. Admin., 847 F.2d 1168, 1175 (5th Cir. 1988) (agency “responded  
18 fully to each argument made by opponents of the order, without merely relying on the force of  
19 the policy statement,” but was not “bound to ignore [it] altogether”); American Cyanamid Co. v.  
20 State Dep’t of Envir. Protection, 555 A.2d 684, 693 (N.J. Super. 1989) (rejecting contention that  
21 agency had treated a computer model as a rule, because agency afforded opposing party a  
22 meaningful opportunity to challenge the model’s basis and did not apply the model uniformly in  
23 every case). See generally John F. Manning, “Nonlegislative Rules,” 72 Geo. Wash. L. Rev.  
24 893, 933-34 (2004); Ronald M. Levin, “Nonlegislative Rules and the Administrative Open  
25 Mind,” 41 Duke L.J. 1497 (1992). The relevance of a guidance document to subsequent  
26 administrative proceedings has been compared with that of the agency’s adjudicative precedents.  
27 See subsection (d) infra.

28  
29 What constitutes a fair opportunity to contest a policy statement within an agency will  
30 depend on the circumstances. See ACUS Recommendation 92-2, supra, ¶ II.B. (“[A]ffected  
31 persons should be afforded a fair opportunity to challenge the legality or wisdom of [a policy  
32 statement] and suggest alternative choices in an agency forum that assures adequate  
33 consideration by responsible agency officials,” preferably “at or before the time the policy  
34 statement is applied to [them]”). Affected persons’ right to a meaningful opportunity to be heard  
35 on the issues addressed in guidance documents must be reconciled with the agency’s interest in  
36 being able to set forth its interpretations and policies for the guidance of agency personnel and  
37 the public without undue impediment. An agency may use its rulemaking authority to set forth  
38 procedures that it believes will provide affected persons with the requisite opportunity to be  
39 heard. To the extent that these procedures survive judicial scrutiny for compliance with the  
40 purposes of this subsection (b), the agency will thereafter be able to rely on established practice  
41 and precedent in determining what hearing rights to afford to persons who may be affected by its  
42 guidance documents. As new fact situations arise, however, courts should be prepared to  
43 entertain contentions that procedures that have been upheld in past cases did not, or will not,  
44 afford a meaningful opportunity to be heard to some persons who may wish to challenge the  
45 legality or wisdom of a particular guidance document.

1           Subsection (c) permits an agency to issue mandatory instructions to agency staff  
2 members, typically those who deal with members of the public at an early stage of the  
3 administrative process, provided that affected persons will have a fair opportunity to contest the  
4 positions taken in the guidance document at a later stage. See Office of Management and  
5 Budget, Final Bulletin for Agency Good Guidance Practices, 72 Fed. Reg. 3432 (2007), §  
6 II(2)(h) (significant guidance documents shall not “contain mandatory language . . . unless . . .  
7 the language is addressed to agency staff and will not foreclose agency consideration of positions  
8 advanced by affected private parties”); ACUS Recommendation 92-2, supra, ¶ III (an agency  
9 should be able to “mak[e] a policy statement which is authoritative for staff officials in the  
10 interest of administrative uniformity or policy coherence”). For example, an agency manual  
11 might prescribe requirements that are mandatory for low-level staff, leaving to higher-ranking  
12 officials the discretion to depart from the interpretation or policy stated in the manual. The  
13 question of what constitutes an adequate opportunity to be heard may vary among agencies or  
14 programs. In some programs, centralization of discretionary authority may be a necessary  
15 concession to “administrative uniformity or policy coherence”; in other programs, the obligation  
16 to proceed through multiple stages of review might be considered so burdensome as to deprive  
17 members of the public of a meaningful opportunity to obtain agency consideration of whether  
18 the guidance document should apply to their particular situations. The touchstone in every case  
19 is whether the opportunity to be heard prescribed by subsection (b) remains realistically  
20 available to affected persons.

21  
22           Subsection (d) is based on a similar provision in ABA Recommendation No. 120C,  
23 supra. It is in accord with general principles of administrative law, under which an agency’s  
24 failure to reasonably explain its departure from established policies or interpretations renders its  
25 action arbitrary and capricious on judicial review. See § 509(a)(3)(H) [Alternative 2] (court may  
26 grant relief against agency action other than a rule if it is “inconsistent with the agency’s prior  
27 practice or precedent, unless the agency has stated credible reasons sufficient to indicate a fair  
28 and rational basis for the inconsistency”); 1981 MSAPA § 5-116(c)(8)(iii) (equivalent  
29 provision); Yale-New Haven Hospital v. Leavitt, 470 F.3d 71, 79-80 (2d Cir. 2006). It has been  
30 said that a guidance document should constrain subsequent agency action in the same manner  
31 that the agency’s adjudicative precedents do. See Peter L. Strauss, “The Rulemaking  
32 Continuum,” 41 Duke L.J. 1463, 1472-73, 1486 (1992) (cited with approval on this point in  
33 United States v. Mead Corp., 533 U.S. 218, 232 (2001)); see also Manning, supra, at 934-37.

34  
35           One purpose of this subsection is to protect the interests of persons who may have  
36 reasonably relied on a guidance document. An agency that acts at variance with its past  
37 practices may be held to have acted in an arbitrary and capricious manner if the unfairness to  
38 regulated persons outweighs the government’s interest in applying its new view to those persons.  
39 Heckler v. Community Health Servs., 467 U.S. 51, 61 (1984) (“an administrative agency may  
40 not apply a new [case law] rule retroactively when to do so would unduly intrude upon  
41 reasonable reliance interests”); Miguel-Miguel v. Gonzales, 500 F.3d 941, 951 (9th Cir. 2007);  
42 Epilepsy Found. v. NLRB, 268 F.3d 1095, 1102 (D.C. Cir. 2001); Microcomputer Tech. Inst. v.  
43 Riley, 139 F.3d 1044, 1050 (5th Cir. 1998). Accordingly, where persons may have justifiably  
44 relied on a guidance document, the agency’s explanation for departing from the position taken in  
45 that document should ordinarily include a reasonable justification for the decision to override  
46 their reliance interests.

1  
2 The first two sentences of subsection (f) are based directly on Va. Code Ann. § 2.2-4008.  
3 Similar provisions have been adopted in Arizona and Washington. See Ariz. Rev. Stat. Ann. §  
4 41-1091; Wash. Rev. Code Ann. § 34.05.230(3)-(4).

5  
6 The last sentence of the subsection is based on the federal APA. See 5 U.S.C. §  
7 552(a)(2); Smith v. NTSB, 981 F.2d 1326 (D.C. Cir. 1993). Subject to harmless error principles,  
8 see § 509(b), a court may invoke the sanction prescribed in this section without necessarily  
9 concluding that the party against whom the document is cited has valid objections to the  
10 substance of the document.

11  
12 ~~The federal Administrative Procedure Act also makes a similar distinction. See 5 U.S.C.~~  
13 ~~Section 553(b)(A) (1988) (Under this section “interpretative rules, general statements of policy,~~  
14 ~~or rules of agency organization, procedure, or practice” are excused from normal Section 553-~~  
15 ~~notice and comment procedural requirements).~~

16  
17 ~~Subsection (d) provides for de novo judicial review of the validity of guidance~~  
18 ~~documents. Under this standard, also known as the independent judgment or the substituted~~  
19 ~~judgment standard, reviewing courts considering the validity of guidance documents will not~~  
20 ~~defer to the agency interpretation contained in the guidance document. Subsection (d) also~~  
21 ~~contains provisions addressing reliance interests of persons who follow the provisions of agency~~  
22 ~~guidance documents. If an agency fails to follow the provisions of the guidance document, the~~  
23 ~~reviewing court may apply principles of equitable estoppel to preclude the agency from a change~~  
24 ~~in position that causes detrimental reliance to the affected person. Equitable estoppel is generally~~  
25 ~~not recognized in federal administrative law (Office of Personnel Management v. Richmond-~~  
26 ~~(1990) 496 U.S. 414) unless a due process of law fair notice standard is violated (General-~~  
27 ~~Electric Co., v. EPA, 53 Fed. 3d 1324 (DC Cir.1995). Equitable estoppel is more widely~~  
28 ~~recognized in state administrative law (Footes Dixie Dandy, Inc. v. McHenry, 607 S. W. 2d 323-~~  
29 ~~(Ark. 1980); Lentz v. McMahon, 49 Cal. 3d 393, 406-407, 777 P. 2d 83 (Cal. 1989). There is a~~  
30 ~~balance between encouraging or requiring agencies to issue guidance documents that provide~~  
31 ~~advice to members of the public and holding agencies responsible for mistaken advice that~~  
32 ~~persons reasonable rely upon to their detriment.~~

33  
34 Subsection (g) is based on Wash. Rev. Code Ann. § 34.05.230(2), which provides for  
35 petitions “requesting the conversion of interpretive and policy statements into rules.” However,  
36 it is phrased more generally than the Washington provision, because an agency that receives a  
37 rulemaking petition will not necessarily wish to “convert” the existing guidance document into a  
38 rule without any revision. Knowing that it will now be speaking with the force of law, in a  
39 format that would be more difficult to alter than a guidance document is, the agency might prefer  
40 to adopt a rule that is narrower than, or otherwise differently phrased than, the guidance  
41 document that it would replace. In any event, the agency will, as provided in section 317, need  
42 to explain any rejection of the petition, whether in whole or in part, and such a rejection will be  
43 judicially reviewable to the same extent as other actions taken under that section.

44  
45 Subsection (h) extends the principles of section 317 by allowing interested persons to  
46 petition an agency to revise or repeal an existing guidance document. Thus, while this Act does

1 not require an agency to obtain the views of the public before issuing a guidance document, this  
2 subsection provides a procedure by which members of the public may bring their views  
3 regarding an existing guidance document to the agency’s attention and request that the agency  
4 take account of those views. This process may be of particular importance to persons who are  
5 indirectly affected by a guidance document (such as persons who stand to benefit from the  
6 underlying regulatory program) but are unlikely to be the targets of an enforcement action in  
7 which they could challenge the legality or wisdom of the document under subsection (b). See  
8 Nina A. Mendelson, “Regulatory Beneficiaries and Informal Agency Policymaking,” 92 Cornell  
9 L. Rev. 397, 438-44 (2007); see also ACUS Recommendation No. 76-5, 41 Fed. Reg. 56,769  
10 (1976) (noting that section 553(e) of the federal APA “allow[s] any person to petition at any time  
11 for the amendment or repeal of . . . an interpretive rule or statement of general policy”).

12  
13 The subsection requires an agency to respond to the petition in [sixty] or fewer days. An  
14 agency that is not prepared to revise or repeal the guidance document within that time period  
15 may initiate a proceeding for the purpose of giving the matter further consideration. This  
16 proceeding can be informal; the notice and comment requirements of Sections 304 through 308  
17 are inapplicable to it, because those sections deal with rules rather than guidance documents.  
18 The agency may, however, voluntarily solicit public comments on issues raised by the petition.  
19 Cf. ACUS Recommendation 76-5, supra, ¶ 2. This section does not prescribe a time period  
20 within which the agency must complete the proceeding, but judicial intervention to compel  
21 agency action “unlawfully withheld or unreasonably delayed” may be sought in an appropriate  
22 case. § 501(a). If the agency declines to revise or repeal the guidance document, within the  
23 [sixty] day period or otherwise, it must explain its decision. Denials of petitions under this  
24 subsection, like denials of petitions for rulemaking under section 317, are reviewable for abuse  
25 of discretion, and the agency’s explanation will provide a basis for any judicial review of the  
26 denial.

27  
28 **SECTION 311. CONTENTS OF RULE.** Each rule filed by the agency with the  
29 [publisher] under Section 315~~adopted by an agency~~ must contain the text of the rule and be  
30 accompanied by a record containing:

- 31 (1) the date the agency adopted, amended, or repealed -the rule;
- 32 (2) a statement of the purpose of the rule adopted, amended, or repealed;
- 33 ~~(3) a reference to all rules repealed or amended by the rule;~~
- 34 ~~(3)(4)~~ a reference to the specific statutory or other authority authorizing the action~~rule~~;
- 35 ~~(45)~~ any findings required by any provision of law as a prerequisite to adoption or  
36 effectiveness of the action~~rule~~;
- 37 ~~(56)~~ the effective date of the action~~rule~~;

1 | ~~(67)~~ the concise explanatory statement required by Section 312; and

2 | ~~(78)~~ ~~any~~the final regulatory analysis statement required by Section 305.

3 | **SECTION 312. CONCISE EXPLANATORY STATEMENT.**

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

6 | (1) the agency's reasons for the actionadopting the rule, which must include an  
7 | explanation of the principal reasons for and against the adoption, amendment, or repeal of the  
8 | rule, the agency's reasons for overruling substantial arguments and considerations made in  
9 | testimony and comments, and its reasons for failing to consider any issues fairly raised in  
10 | testimony and comments; and

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

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

18 | **Comment**

19 |  
20 | Many states have adopted the requirement of a concise explanatory statement. Arkansas  
21 | (A.C.A. Section 25-15-204) and Colorado (C.R.S.A. Section 24-4-103) have similar provisions.  
22 | The federal Administrative Procedure Act uses the identical terms in Section 553 (c) (5 U.S.C.A.  
23 | Section 553). This provision also requires the agency to explain why it rejected substantial  
24 | arguments made in comments. Such explanation helps to encourage agency consideration of all  
25 | substantial arguments and fosters perception of agency action as not arbitrary.  
26 |

27 | **SECTION 313. INCORPORATION BY REFERENCE.** ~~A~~rule may ~~agency may~~

1 | ~~adopt a rule that i~~ncorporates by reference all or any part of a code, standard, or rule that has  
2 | been adopted by an agency of the United States, this state, another state, or by a nationally  
3 | recognized organization or association, if:

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

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

9 | (3) the code, standard, or rule is readily available to the public in written or electronic  
10 | format;

11 | (4) the rule states where copies of the code, standard, or rule are available for a  
12 | reasonable charge at cost from the agency ~~adopting~~~~issuing~~ the rule and where copies are  
13 | available from the agency of the United States, this state, another state, or the organization or  
14 | association originally issuing the code, standard, or rule; and

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

### 17 | **Comment**

18 |  
19 | Several states have provisions that require the agencies to retain the voluminous  
20 | technical codes. See, Alabama, Ala.Code 1975 Section 41-22-9; Michigan, M.C.L.A. 24.232;  
21 | and North Carolina, N.C.G.S.A. § 150B-21.6. To avoid the problems created by those retention  
22 | provisions, but to assure that these technical codes are available to the public, this section adopts  
23 | several specific procedures. One protection is to permit incorporating by reference only codes  
24 | that are readily available from the outside promulgator, and that are of limited public interest as  
25 | determined by a source outside the agency. See Wisconsin, W.S.A. 227.21. These provisions  
26 | will guarantee that important material drawn from other sources is available to the public, but  
27 | that less important material that is freely available elsewhere does not have to be retained.  
28 |

### 29 | **SECTION 314. COMPLIANCE ~~AND TIME LIMITATION~~. An action taken under**

1 this [article] including a rule adopted, amended, or repealed using the emergency process under  
2 Section 309(a), or the expedited process under Section 309(b) is not valid unless taken in ~~No rule~~  
3 ~~adopted under this [act], including an emergency rule under Section 309(a) and an expedited rule~~  
4 ~~under Section 309(b), is valid unless adopted in~~ substantial compliance with the procedural  
5 requirements of this [articleact]. ~~A proceeding to contest any rule on the ground of~~  
6 ~~noncompliance with the procedural requirements of this [act] must be commenced within two-~~  
7 ~~years from the effective date of the rule.~~

#### 8 **Comment**

9  
10 This section is a slightly modified form of the 1961 Model State Administrative  
11 Procedure Act, section (3)(c). See also section 3-113(~~ab~~) of the 1981 Model State Administrative  
12 Procedures Act. Section 504(a) governs the timing of judicial review proceedings to contest any  
13 rule on the ground of noncompliance with the procedural requirements of this [act]. The scope of  
14 challenges permitted under Section 504(a)~~this section~~ includes all applicable requirements of  
15 article 3 for the type of rule being challenged.  
16

17 **SECTION 315. FILING OF RULES.** An agency shall file in written and electronic  
18 format with the [publisher] each rule it adopts-, amends, or repeals -including an ~~an emergency~~-rule  
19 adopted, amended, or repealed under Section 309(a) ~~orand an expedited rule~~-under Section  
20 309(b), and all rules existing on [the effective date of this [act]] that have not previously been  
21 filed. ~~The agency shall also file a rule under this section as an electronic record.~~ The filing must  
22 be done as soon after adoption of the rule as practical. The [publisher] shall affix to each rule  
23 and statement a certification of the time and date of filing and keep a permanent register open to  
24 public inspection of all filed rules and attached concise explanatory statements. In filing a rule,  
25 each agency shall use a standard form prescribed by the [publisher].

#### 26 **Comment**

27 This section is based on the 1961 Model State Administrative Procedure Act, Section  
28 4(a) and its expansion in the 1981 MSAPA, Section 3-114.

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

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

(b) The adoption, amendment, or repeal of a~~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~~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.

1 **Comment**

2 This is a substantially revised version of the 1961 Model State Administrative Procedure  
3 Act, Section 4 (b)&(c) and 1981 Model State Administrative Procedure Act, Section 3-115. Most  
4 of the states have adopted provisions similar to both the 1961 Model State Administrative  
5 Procedure Act and the 1981 Model State Administrative Procedure Act, although they may differ  
6 on specific time periods. Some rules may have retroactive application or effect provided that  
7 there is express statutory authority for the agency to adopt retroactive rules. See Bowen v.  
8 Georgetown University Hospital 488 U.S. 204 (1988).  
9

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

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

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

17 **Comment**

18 This section is substantially similar to the 1961 MSAPA. See also section 3-117 of the  
19 1981 MSAPA. Agency decisions that decline to adopt a rule are judicially reviewable for abuse  
20 of discretion (See Massachusetts v. EPA 127 S. Ct. 1438 (2007) (EPA decision to reject  
21 rulemaking petition and therefore not to regulate greenhouse gases associated with global  
22 warming was judicially reviewable and decision was arbitrary and capricious.).  
23

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  
18 adjudication under Section 408 are met, a hearing in a contested case may be conducted  
19 following the procedures in those sections. All contested cases are also subject to Section 402 of  
20 this article.

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

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

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

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

6 |  
7 | This section draws upon the California, (see Cal. Cal.Gov.Code Section 11410.10);  
8 | Minnesota, (see Minnesota Statutes Annotated, Section 14.02, subd. 3; Washington (see Revised  
9 | Code of Washington, 34.05.413(2) and Kansas (see Kansas Stat. Ann., KS ST Section 77-502(d)  
10 | & Kansas Stat. Ann., KS ST Section 77-503). ~~The definition of disputed case used in this Act is~~  
11 | ~~similar to, but broader than, the definition of contested case in the 1961 MSAPA, Section 1(2).~~  
12 |

### 13 | SECTION 402. PRESIDING OFFICERS.

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

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

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

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

27 | (e) A presiding officer is subject to disqualification for bias, prejudice, financial interest,  
28 | or any other cause for which a judge is or may be disqualified. A presiding officer, after making  
29 | a reasonable inquiry, shall disclose to all parties any known facts that a reasonable person would

1 consider likely to affect the impartiality of the presiding officer in the contested case proceeding,  
2 including:

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

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

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

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

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

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

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

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

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

### 8 **Comment**

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

13  
14 Subsection (b) confers a limited amount of discretion upon the agency head to determine  
15 who will preside. The presiding officer may be either the agency head, or one or more members  
16 of the agency head, or one or more administrative law judges assigned by the Office of  
17 Administrative Hearings in accordance with Section 603. Without the bracketed language,  
18 subsection (b) resembles the law in a group of states that have created a central panel of  
19 administrative law judges, and have made the use of administrative law judges from the central  
20 panel mandatory unless the agency head or one or more members of the agency head presides. In  
21 some states, however, the use of central panel administrative law judges is mandatory only in  
22 certain enumerated agencies or types of proceedings. If the bracketed language is adopted, the  
23 agency head, in addition to the preceding options for appointment and unless prohibited by law,  
24 may designate any one or more “other persons” to serve as presiding officer. This discretion is  
25 subject to subsections (c) & (d) on separation of functions. This discretion is also limited by the  
26 phrase “unless prohibited by law,” included in the bracketed language, which prevents the use of  
27 “other persons” as presiding officers to the extent that the other state law prohibits their use.  
28 Thus, if this language is adopted by a state that has an existing central panel of administrative  
29 law judges whose use is mandatory in enumerated types of proceedings, the agencies must  
30 continue to use the central panel for those proceedings, but may exercise their option to use  
31 “other persons” for other types of proceedings.

32  
33 Subsection (e) is based upon 1981 MSAPA Section 4-202(b). See also California  
34 Government Code Section 11425.40(a). Disclosure duties under subsection (e) are based on state  
35 ethics codes governing ethical standards for judges in the judicial branch of the government,  
36 Section 12 of the 2000 Uniform Arbitration Act, and on state law governing the ethical  
37 responsibilities of government officials and employees. See Section 410.

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

2

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

4

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

1 |  
2 |       **SECTION 403. CONTESTED CASE PROCEDURE.**

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

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

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

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

10 |           (1) Upon proper objection, the presiding officer [must] [ may] exclude evidence  
11 | that is immaterial, irrelevant, unduly repetitious, or excludable on constitutional, or statutory  
12 | grounds or on the basis of an evidentiary privilege recognized in the courts of this state. The  
13 | presiding officer may exclude evidence that is objectionable under the applicable rules of  
14 | evidence. Evidence may not be excluded solely because it is hearsay. Hearsay evidence may be  
15 | used for the purpose of supplementing or explaining other evidence except that on timely  
16 | objection it may not be sufficient in itself to support a finding unless it would be admissible over  
17 | objection in a civil action. [Hearsay evidence may be sufficient to support fact findings if that  
18 | evidence constitutes reliable, probative, and substantial evidence].

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

23 |           (3) Any part of the evidence may be received in written form, if doing so will

1 expedite the hearing without substantial prejudice to the interests of a party. Documentary  
2 evidence may be received in the form of copies or excerpts or by incorporation by reference.

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

10 (5) The presiding officer may take official notice of all facts of which judicial  
11 notice may be taken and of other scientific and technical facts within the specialized knowledge  
12 of the agency. Parties must be notified at the earliest practicable time, either before or during the  
13 hearing, or by reference in preliminary reports, preliminary decisions or otherwise, of the facts  
14 proposed to be noticed and their source, including any staff memoranda or data. The parties  
15 must be afforded an opportunity to contest any officially noticed facts before the decision is  
16 announced.

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

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

23 (e) Except for informal hearings under Sections 405 and 406 and emergency hearings

1 under Section 408, in a disputed case, the presiding officer, at appropriate stages of the  
2 proceedings, shall give all parties the opportunity to file pleadings, motions, and objections in a  
3 timely manner. The presiding officer, at appropriate stages of the proceeding, may give all  
4 parties full opportunity to file briefs, proposed findings of fact and conclusions of law, and  
5 proposed, recommended, or final orders. If records are submitted, the original record must be  
6 filed with the agency and copies of all filings shall be sent to all parties. The presiding officer  
7 may, with the consent of all parties, refer the parties in a contested case proceeding to mediation  
8 or other dispute resolution procedure.

9 (f) Except for informal hearings under Sections 405 and 406 and emergency hearings  
10 under Section 408, in a disputed case, to the extent necessary for full disclosure of all relevant  
11 facts and issues, the presiding officer shall afford to all parties the opportunity to respond,  
12 present evidence and argument, conduct cross-examination, and submit rebuttal evidence.

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

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

19 (i) A hearing in a contested case is open to the public, except for a hearing or part of a  
20 hearing that the presiding officer closes on the same basis and for the same reasons that a court  
21 of this state may close a hearing or closes pursuant to a statutory provision other than this [act]  
22 that authorizes closure. To the extent that a hearing is conducted by telephone, television, video  
23 conference, or other electronic means, and is not closed, a hearing is open if members of the

1 public have an opportunity, at reasonable times, to hear or inspect the agency's record, and to  
2 inspect any transcript obtained by the agency.

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

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

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

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

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

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

18 **Comment**  
19

20 This section specifies the minimum hearing requirements that must be met in disputed  
21 cases under this act. This section applies to all agencies whether or not an agency rule provides  
22 for a different procedure; this procedure is excused only if a statute expressly provides  
23 otherwise. This section does not prevent an agency from adopting more stringent procedures  
24 than those in this section. This section does not supersede conflicting state or federal statutes.  
25

26 There are several interrelated purposes for this procedural provision: 1) to create a  
27 minimum fair hearing procedure; and 2) to attempt to make that minimum procedure applicable  
28 to all agencies. In many states, individual agencies have lobbied the legislature to remove  
29 various requirements of the state Administrative Procedure Act from them. The result in a

1 considerable number of states is a multitude of divergent agency procedures. This lack of  
2 procedural uniformity creates problems for litigants, the bar and the reviewing courts. This  
3 section attempts to provide a minimum, universally applicable procedure in all disputed cases.  
4 The important goal of this section is to protect citizens by a guarantee of minimum fair  
5 procedural protections. The procedures required here are only for actions that fit the definition of  
6 a disputed case and fall within the provisions of Section 401. Thus, they do not spread quasi  
7 judicial procedures widely, and do not create any significant agency loss of efficiency or  
8 increased cost.

9  
10 This section is modeled in part on the Arizona Regulatory Bill of Rights, see A.R.S.  
11 Section 41-1001.01 and the California Administrative Adjudication Bill of Rights, see West  
12 Ann.Cal.Gov.Code Section 11425.10.

13  
14 Under subsection (c), agency procedures governing the case refers to rules of practice  
15 adopted under Section 202, or default procedural rules adopted under Section 204, or procedures  
16 required under the agency governing statute.

17  
18 Under subsection (d)(1) evidence is unduly repetitious if its probative value is  
19 substantially outweighed by the probability that its admission will necessitate undue  
20 consumption of time. In most states a presiding officer's determination that evidence is unduly  
21 repetitious may be overturned only for abuse of discretion. Under subsection (d)(1), the legal  
22 residuum rule is not adopted and hearsay evidence can be sufficient to support fact findings if the  
23 hearsay evidence is sufficiently reliable. This provision is based on the federal A.P.A. provision,  
24 5 U.S.C. Section 556 (d), *Richardson v. Perales*, (1971) 402 U.S. 389 and the 1981 MSAPA  
25 Section 4-215(d). (reasonably prudent person standard for reliability).

26  
27 Subsection (d)(4) information that is not a public record means information not subject to  
28 disclosure under the applicable public records act in the jurisdiction.

29  
30 Subsection (d)(5) is based on 1981 MSAPA Section 4-212(f). See also California  
31 Government Code Section 11515, and 1961 MSAPA Section 10(4).

32  
33 Subsection (d)(6) is based on 1981 MSAPA Section 4-215(d). See also California  
34 Government Code Section 11425.50(c) which contains the same language.

35  
36 Under subsection (g) hearings in contested cases can be conducted using the telephone,  
37 television, video conferences, or other electronic means. Subsection (g) is based in part on  
38 California Government Code Section 11440.30. Due process of law may require live in person  
39 hearings. See *Whiteside v. State*, (2001) 20 P. 3d 1130 (Supreme Court of Alaska) (due process  
40 of law violated with telephone hearing in driver's license revocation hearing when driver's  
41 credibility was material to the hearing, and the driver was not offered an in person hearing); But  
42 see *Bancock v. Employment Division* (1985) 72 Or. App. 486, 696 P. 2d 19, 21 (telephone  
43 hearings do not violate due process of law in hearings in which the credibility of a party is at  
44 issue because audible indicia of a witness's demeanor are sufficient for credibility).

45  
46 Subsection (k) provides for a right of self representation for parties in contested case

1 proceedings. Subsection (k) also allows presiding officers to accommodate pro se litigant's  
2 unfamiliarity with agency procedures in contested cases by explaining those procedures to the  
3 pro se litigant to the extent consistent with fair hearing and impartial decision maker  
4 requirements. *Goldberg v. Kelley* (1970) 397 U.S. 254 (impartial decision-making is essential to  
5 due process of law). The fair hearing limits would be exceeded if the presiding officer violated  
6 impartial decision maker requirements by improperly assisting one party in presenting that  
7 parties case at the hearing.  
8

9 The subsection (l) written decision requirement is based in part on 1961 MSAPA Section  
10 12, and on 1981 MSAPA Section 4-215(g). See also California Government Code Section  
11 11425.50. See also sections 801, and 802, electronic publication of written decisions, and the  
12 provisions of 15 U.S.C. Section 7004.  
13

14 Under subsection (o), training of new presiding officers in contested case procedures is  
15 important to the quality of adjudication. Training of non lawyer presiding officer is especially  
16 important because of relative lack of familiarity with adjudication procedures compared to  
17 lawyer presiding officers.  
18

19 Section 10 of the 1961 MSAPA contained many similar provisions.  
20

#### 21 **SECTION 404. NOTICE.**

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

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

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

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

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

33 (4) [the name, official title, mailing address, and telephone number of any

1 attorney or employee who has been designated to represent the agency]; and

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

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

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

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

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

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

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

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

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

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

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

6 (e) Notice may include other matters that the presiding officer considers desirable to  
7 expedite the proceedings.

### 8 **Comment**

9  
10 This section is taken from: the 1961 Model State Administrative Procedure Act, section 9  
11 and the 1981 Model State Administrative Procedure Act, Section 4-206. See also; Oregon,  
12 O.R.S. Section 183.415; Kansas, K.S.A. Section 77-518; Iowa, I.C.A. Section 17A.12; Montana,  
13 MCA 2-4-601; and Michigan, M.C.L.A. 24.271.  
14

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

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

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

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

22 (B) a disciplinary sanction against a student that does not involve expulsion from  
23 an academic institution or suspension for more than 10 days or a disciplinary sanction against an  
24 employee that does not involve discharge from employment, demotion, or suspension for more  
25 than five days;

26 (C) a disciplinary sanction against a licensee that does not involve revocation of

1 a license or suspension of a license for more than five days;

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

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

6 **Comment**

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

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

19  
20 Subsection 2(D) is intended to deal with the situation that arises in federal constitutional  
21 law where the constitution protects a life, liberty or property interest, but, under the holding of  
22 *Mathews v. Eldridge*, 424 U.S. 319, 96 S.Ct. 893 (1976) do not require all the protections of a  
23 formal hearing. See *Goss v. Lopez*, (1975) 419 U.S. 565, 581-582 (informal due process hearing  
24 for school suspension of ten days or less), and *Cleveland Board of Education v. Loudermill*  
25 (1985) 472 U.S. 532.

26  
27 **SECTION 406. INFORMAL ADJUDICATION PROCEDURE.**

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

30 (b) In an informal adjudication, the presiding officer shall regulate the course of the  
31 proceeding consistent with the due process requirement of meaningful opportunity to be heard.  
32 The presiding officer shall permit the parties and their representatives, and may permit others, to  
33 offer written or oral comments on the issues. The presiding officer may limit the use of

1 witnesses, testimony, evidence, cross-examination, and argument and may limit or eliminate the  
2 use of pleadings, intervention, discovery, prehearing conferences, and rebuttal. Where  
3 appropriate in the discretion of the presiding officer, an informal adjudication may be in the  
4 nature of a conference.

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

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

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

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

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

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

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

### 20 **Comment**

21  
22 This section draws on the informal adjudication provisions of several state  
23 Administrative Procedure Acts. See: California Administrative Procedure Act, West's  
24 Ann.Cal.Gov.Code SECTION 11445.40; Va. Administrative Procedure Act, Section 2.2-4019,  
25 Va. Code Ann. § 2.2-4019; and Washington Administrative Procedure Act, Section 34.05.485,  
26 West's RCWA § 34.05.485. Under this section, the informal adjudication procedure is a  
27 simplified form of an adjudication under the control of the presiding officer. The informal

1 hearing may be in the nature of a conference at the discretion of the presiding officer. Although  
2 the hearing is streamlined and informal, the hearing officer must observe basic protections of  
3 fairness spelled out in subsection (c) and protections described in Mathews v. Eldridge, 424 U.S.  
4 319, 96 S.Ct. 893 (1976). . See Goss v. Lopez, (1975) 419 U.S. 565, 581-582 (informal due  
5 process hearing for school suspension of ten days or less), and Cleveland Board of Education v.  
6 Loudermill (1985) 472 U.S. 532. Subsection (d) includes as part of the record an official  
7 transcript of oral testimony. Oral testimony can be recorded using any reliable method including  
8 audiotapes. Stenographic transcripts prepared by a certified shorthand reporter are not required  
9 by this subsection.

10  
11  
12 **SECTION 407. AGENCY HEARING RECORD IN CONTESTED CASE.**

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

14 (b) The agency hearing record consists of:

15 (1) notices of all proceedings;

16 (2) any pre-hearing order;

17 (3) any motions, pleadings, briefs, petitions, requests, and intermediate rulings;

18 (4) evidence received or considered;

19 (5) a statement of matters judicially noticed;

20 (6) proffers of proof and objections and rulings thereon;

21 (7) proposed findings, requested orders, and exceptions;

22 (8) the record prepared for the presiding officer at the hearing, and any transcript  
23 of all or part of the hearing considered before final disposition of the proceeding;

24 (9) any final order, recommended decision, or order on reconsideration;

25 (10) all memoranda, data, or testimony prepared under Section 409; and

26 (11) matters placed on the record after an ex parte communication.

27 (c) Except to the extent that law other than this [act] provides otherwise, the agency  
28 hearing record constitutes the exclusive basis for agency action in a disputed case and for

1 judicial review of the case.

2 **SECTION 408. EMERGENCY ADJUDICATION PROCEDURE.**

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

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

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

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

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

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

23 (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  
2 maintain 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  
37 and opportunity for all parties to participate in the communication. For the purpose of this

1 section, a proceeding is pending from the issuance of the agency's pleading, or from an  
2 application for an agency decision, whichever is earlier.

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

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

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

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

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

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

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

23 (e) If a presiding officer makes or receives a communication in violation of this section,

1 if the communication is:

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

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

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

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

18 (h) If necessary to eliminate the effect of a communication received in violation of this  
19 section, a presiding officer may be disqualified, the portions of the record pertaining to the  
20 communication may be sealed by protective order, or other appropriate relief may be granted  
21 including dismissal of the application or other adverse ruling on the merits as a sanction.

22 **Comment**

23  
24 This section is not intended to be applied to communications made by or to a presiding  
25 officer or personal staff assistant regarding noncontroversial practice and procedure matters such

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

8  
9 This section also provides another remedy besides disclosure and party reply. In a case  
10 where disclosure and reply are inadequate to cure or eliminate the effect of the ex parte contact, a  
11 protective order may be issued. The intent of authorizing the protective order is to keep the ex  
12 parte material from the successor presiding officer.

13  
14 This section draws in part from the systematic California provisions on ex parte contacts.  
15 See West's Ann.Cal.Gov.Code Section 11430.10 to 11430.80. The California sections address  
16 many of the problems that arise in this area, and attempt to distinguish technical, advisory  
17 contacts from agency staff to presiding officers or agency heads from other kinds of party  
18 contacts.

19  
20 **SECTION 410. ADMINISTRATIVE ADJUDICATION CODE OF ETHICS.**

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

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

27  
28 (b) Section 409 governs the standards for ex parte communication. Section 402 governs  
29 disqualification of presiding officers. Restrictions on financial interests, political activity or on  
30 accepting honoraria, gifts, or travel are governed by state law other than the [code of judicial  
31 ethics].

32 **Comment**  
33

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

9 **SECTION 411. INTERVENTION.**

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

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

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

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

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

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

22 (e) Existing parties to a contested case proceeding have the right to be heard on the issues  
23 related to whether the presiding officer shall grant or deny a pending petition for intervention.

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

1 **Comment**

2  
3 Section 411 is based in part of 1981 MSAPA Section 4-209. See also Federal Rule of  
4 Civil Procedure Rule 24 (intervention of right under Rule 24(a), and permissive intervention  
5 under Rule 24(b)).  
6

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

17 **SECTION 412. SUBPOENAS.**

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

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

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

29 **Comment**

30 Section 412 is based in part on 1981 MSAPA Section 4-210. See also California  
31 Government Code sections 11450.05 to 11450.50 (subpoenas in administrative adjudication).  
32

1           **SECTION 413. DISCOVERY.**

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

4           (b) Except in an emergency hearing under Section 40~~8~~7, a party, upon written notice to  
5 another party at least [ ] days before an evidentiary hearing, is entitled to:

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

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

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

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

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

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

19                           (E) investigative reports made by or on behalf of the agency or other  
20 party pertaining to the subject matter of the adjudication, to the extent that these reports contain  
21 the names and addresses of witnesses or of persons having personal knowledge of the acts,  
22 omissions, or events that are the basis for the adjudication or reflect matters perceived by the  
23 investigator in the course of the investigation, or contain or include by attachment any statement

1 or writing described in this section;

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

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

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

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

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

13 **Comment**

14  
15 Discovery in administrative adjudication is more limited than in civil court proceedings.  
16 Nevertheless discovery is available for the items listed in subsection (b). See California  
17 Government Code Section 11507.6 to 11507.7 (discovery in administrative adjudication).

18  
19 **SECTION 414. CONVERSION.**

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

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

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

26 (b) To the extent practicable and consistent with the rights of the parties and the

1 requirements of this [article] relative to the new proceeding, the record of the original proceeding  
2 must be used in the new proceeding.

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

7 **Comment**  
8

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

19 **SECTION 415. DEFAULT.**

20 (a) Unless displaced or modified by law other than this [act], if a party without good  
21 cause fails to attend or participate in a pre-hearing conference, hearing, or other stage of a  
22 disputed case, the presiding officer may issue a default order or proceed with a hearing in the  
23 absence of the party.

24 (b) Under subsection (a), a default judgment must be based on the absent party's  
25 admissions or other evidence and affidavits, which can be used without notice to the absent  
26 party. This subsection does not apply where the burden is on the absent party to establish that he  
27 or she is entitled to the agency action sought.

28 (c) Within [ ] days after a decision is rendered against a party who failed to appear, that  
29 party may petition the presiding officer to vacate the recommended or final order. If adequate

1 reasons are provided showing good cause for the party's failure to appear, the presiding officer  
2 shall vacate the decision and, after proper service of notice, conduct another evidentiary hearing.  
3 If adequate reasons are not provided showing good cause for the party's failure to appear, the  
4 presiding officer shall deny the motion to vacate.

5 **Comment**

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

11  
12 Subsection (b) is adapted from the Alaska Administrative Procedure Act, AS 44.62.530  
13 and the California Administrative Procedure Act, West's Ann.Cal.Gov.Code § 11520.  
14

15 **SECTION 416. LICENSES.**

16 (a) If an opportunity for an evidentiary hearing is not required by law for agency action  
17 on an application for a license, the agency shall give prompt notice of its action in response to an  
18 application. If the agency denies an application under this section, the agency shall include the  
19 reasons for denial.

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

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

1 **Comment**

2 Subsection (b) was taken from the 1961 Model State Administrative Procedure Act,  
3 section 14(b), which has been adopted by many states. See, for example: Alabama, Ala.Code  
4 1975 Section 41-22-19; Tennessee, T. C. A. Section 4-5-320; Michigan, M.C.L.A. 24.291; and  
5 Wisconsin, W.S.A. 227.51.  
6

7 **SECTION 417. ORDERS: FINAL AND RECOMMENDED.**

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

10 (b) If the presiding officer is not the agency head, the presiding officer shall render a  
11 recommended decision [proposed decision], when the presiding officer has not been delegated  
12 final decisional authority. When the presiding officer has been delegated final decisional  
13 authority, the presiding officer shall render a decision which shall becomes a final order ~~order~~ in  
14 [30] days, unless reviewed by the agency head on its own motion or on petition of a party.

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

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

21 If a party has submitted proposed findings of fact, the order must include a ruling on the  
22 proposed findings. The order must also include a statement of the available procedures and time  
23 limits for seeking reconsideration or other administrative relief, and a statement of the time  
24 limits for seeking judicial review of the agency order. A recommended decision must include a  
25 statement of any circumstances under which the recommended decision, without further notice,

1 may become a final order.

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

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

6 **Comment**

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

11  
12 The third sentence of subsection (d) is taken from the 1961 MSAPA.  
13

14 **SECTION 418. AGENCY REVIEW OF RECOMMENDED DECISIONS.**

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

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

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

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

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

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

9 (e) An agency head that reviews a recommended decision shall exercise all the decision-  
10 making power that the agency head would have had if the agency head had conducted the  
11 hearing that produced the recommended decision, except to the extent that the issues subject to  
12 review are limited by a provision of law other than this [act] or by order of the agency head upon  
13 notice to all the parties. In reviewing findings of fact in recommended decisions by presiding  
14 officers, the agency head shall give due regard to the presiding officer's opportunity to observe  
15 the witnesses. The agency head shall consider the agency record or such portions of it as have  
16 been designated by the parties.

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

21 (g) A final order or an order remanding the matter for further proceedings under this  
22 section must identify any difference between the order and the recommended decision and shall  
23 state the facts of record which support any difference in findings of fact, state the source of law

1 which supports any difference in legal conclusions, and state the policy reasons which support  
2 any difference in the exercise of discretion. A final order under this section must include, or  
3 incorporate by express reference to the recommended decision, all the matters required by  
4 Section 416(d). The agency head shall cause an order issued under this section to be delivered to  
5 the presiding officer and to all parties.

6 **Comment**  
7

8 This section draws upon 1981 MSAPA, which reflects current practice in regard to  
9 recommended decisions, final orders and review of final orders more accurately than the 1961  
10 MSAPA. Subsections (b) and (e) draw upon the Washington APA, West's RCWA 34.05.464,  
11 and the Kansas APA, K.S.A. § 77-527. The object of subsection (e) is to assure agency head  
12 consideration of the issues tendered in the case.  
13

14 **SECTION 419. RECONSIDERATION.**

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

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

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

27 **Comment**

1 This section is based in part on the Washington APA, West's RCWA 34.05.470. This  
2 section creates a general right to seek reconsideration of a recommended or final order.  
3 Subsection (b) must be read concurrently with Section 507(d), which excuses exhaustion to the  
4 extent that a provision of this [act] provides for excuse.  
5

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

9 **Comment**

10 The 1961 MSAPA § 15 contained a provision for a stay. Stays are sometimes necessary  
11 to preserve the status quo pending agency review or judicial review.  
12

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

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

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

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

26 (d) If, in the judgment of the presiding officer, it is possible to redact for to prepare a

1 | generic version of] a final order or decision that is exempt, privileged or otherwise made  
2 | confidential or protected from disclosure by law so that it complies with the requirements of law,  
3 | the redacted [or the generic version of the] document may be indexed and published.

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

### 8 | **Comment**

9 |  
10 | This section is entirely new. This section continues the concept, seen earlier in  
11 | connection with rules, of preventing earlier decisional law known only to agency personnel from  
12 | constituting the basis for decision in a disputed case. Subsection (c) is based in part on the  
13 | provisions of California Government Code Section 11425.60. If the agency wishes to use a case  
14 | as precedent in the future, it must make the order and decision in that case available to the  
15 | public. The only situations in which an agency may rely on a contested case as precedent without  
16 | indexing and making that decision and order available to the public are described in subsection  
17 | (b) of this section.

18 |  
19 | In some states there have been attacks on agency adjudications on the basis that the  
20 | proceeding should be conducted under the provisions for rulemaking. In the case of *SEC v.*  
21 | *Chenery Corp.*, 332 U.S. 194 (1947) the United States Supreme Court held that the choice of  
22 | whether to proceed by rulemaking or adjudication is left entirely to the discretion of the agency,  
23 | because not every principle can be immediately promulgated in the form of a rule. In the words  
24 | of the Supreme Court “Some principles must await their own development, while others must be  
25 | adjusted to meet particular, unforeseeable situations.” Most states follow *Chenery*. See  
26 | *Illuminating a Bureaucratic Shadow World: Precedent Decisions under California’s Revised*  
27 | *Administrative Procedure Act*, 21 *J. Nat’l A. Admin. L. Judges* 247 (2001) at n. 68.

28 |  
29 | This section makes clear that the choice between rulemaking and adjudication is entirely  
30 | in the discretion of the agency. However, in order to prevent law to which the public does not  
31 | have access from constituting the basis for decision, final orders must be indexed and available  
32 | to the public. See also the California administrative procedure act at West’s *Ann. Cal. Gov.*  
33 | *Code*, § 11425.60

34 |

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  
8 process. Agency action that is a failure to act is not judicially reviewable except that a reviewing  
9 court 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 App. 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.  
30 Dept. Interior, 180 F.3d 1192, 1197 (10<sup>th</sup> Cir. 1999).  
31

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

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

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

9 **Comment**

10  
11 This section seeks to recognize the prudential exception to finality and ripeness  
12 sometimes recognized for rules and other types of agency action by agencies such as rules,  
13 advisory letters and guidance documents. It seeks to incorporate the general tests for finality and  
14 ripeness taken from the cases of *Abbott Laboratories v. Gardner*, 387 U.S. 136, 148-149, 87  
15 S.Ct. 1507, 18 L.Ed.2d 681 (1967); *FTC v. Standard Oil Co.*, 449 U.S. 232, 101 S.Ct. 488 (1980)  
16 and *Bennett v. Spear*, 520 U.S. 154, 117 S.Ct. 1154 (1997), which have been cited with approval  
17 and followed in many states. Under this subsection, some appellant challenges or bases for  
18 challenge will be ripe for review, but many will not. The subsection seeks to furnish guidance to  
19 state courts attempting to apply the doctrines of finality and ripeness. Under this section, the  
20 person seeking review must meet all of the requirements of this article, which include standing,  
21 exhaustion of remedies, and time for filing.

22  
23 The finality determination is to be made case by case in a pragmatic, flexible fashion.  
24 Fitness for review is present where issues to be considered are purely legal ones, so that further  
25 factual development of the issues is not necessary. Hardship involves imposition of significant  
26 practical harm. Some cases have equated that harm with impact that would justify equitable  
27 intervention. The harm element has also been approached by asking the question: does the  
28 agency action pose a difficult dilemma for the party, so that he or she must immediately take  
29 action that will be very expensive and cannot be recovered or face expensive prosecution in the  
30 future.  
31

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

33 **RULES.** Unless otherwise provided by a statute of this state other than this [act], judicial review  
34 of final agency action may be taken only by proceeding as provided by [state] [rules of appellate  
35 procedure] [rules of civil procedure]. An appeal from final agency action may be taken

1 regardless of the amount involved. The court may grant any type of relief that is available and  
2 appropriate.

3 **Comment**  
4

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

15 **SECTION 504. TIME FOR SEEKING JUDICIAL REVIEW OF AGENCY**

16 **ACTION, LIMITATIONS.**

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

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

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

26 (d) A party may not file or petition for judicial review while seeking reconsideration  
27 under Section 418. During the time that a petition for reconsideration is pending before an  
28 agency, the time for seeking judicial review in subsection (b) is tolled.

29 **Comment**



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

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

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

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

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

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

**Comment**

This section creates a default requirement of exhaustion, which is generally followed in the states. However, the section creates several exceptions to the default rule. Subsection (b) requires issue exhaustion in appeals from rulemaking for persons who did not participate in the challenged rulemaking. It excuses persons seeking judicial review of a rule who were not parties

1 before the agency from the exhaustion requirement; but, if the issue that they seek to raise was  
2 not raised and considered in the rulemaking proceeding that they challenge, then they must first  
3 petition the agency to conduct another rulemaking to consider the issue. If the agency refuses to  
4 do so or if the agency conducts a second rulemaking that is adverse to the petitioner on the issue  
5 or issues raised in his petition for rulemaking, then the petitioner may seek judicial review.  
6 Subsection (d) recognizes the judicially created exception to the exhaustion requirement where  
7 agency relief would be inadequate or would result in irreparable harm. In some states courts  
8 have held that irreparable harm that is a sufficient condition to excuse exhaustion exists only if it  
9 outweighs the public interest in exhaustion. State courts are free under this section to engage in  
10 that weighing test.  
11

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

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

17 **Comment**

18  
19 This section establishes a default closed record for judicial review of adjudication and  
20 rulemaking. It is well established in most states and in federal administrative procedure that, in  
21 case of adjudication, judicial review is based upon that evidence which was before the agency on  
22 the record. Otherwise, the standards of judicial review could be subverted by the introduction of  
23 additional evidence to the court that was not before the agency. See *Western States Petroleum*  
24 *Ass'n v. Superior Court*, 888 P.2d 1268 (Cal. 1995). For rulemaking, the record for judicial  
25 review is defined in Section 302 of this Act.  
26

27 The section contains an exception to the closed record on review where petitioner alleges  
28 error, such as ex parte contacts, that does not appear in or is not evident from the record. Other  
29 examples of error that do not appear or are not evident from the record are: improper constitution  
30 of the decision making body, grounds for disqualification of a decision maker, or unlawful  
31 procedure. However, the standard for opening the record on appeal is high.  
32

33 **SECTION 509. SCOPE OF REVIEW.**

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

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



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  
7 law in the discretion of the agency that is not supported by substantial evidence in the agency  
8 record 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;

23 (I) the product of reasoning that is so illogical as to render it wholly

1 irrational;

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

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

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

12 (M) based upon an irrational, illogical, or wholly unjustifiable application  
13 of law to fact that has clearly been vested by a provision of law in the discretion of the agency;  
14 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 **NOTE:** The drafting committee is divided on the scope of review provisions and seeks guidance  
22 from the committee of the whole. There are two schools of thought on the drafting committee.  
23

24 One view is that scope of review is notoriously difficult to capture in verbal formulas,  
25 and its application varies depending on context. For that reason, some members urge return to  
26

1 shorter, skeletal formulations of the scope of review, similar to the 1961 MSAPA. See Ronald  
2 M. Levin, *Scope of Review Legislation*, 31 *Wake Forest L. Rev.* 647 (1996) at 664-66. William  
3 D. Araiza, *In Praise of a Skeletal APA*, 56 *Admin. L. Rev.* 979 (2004). (Judiciary, not  
4 legislature, appropriate body to evolve specific standards for review, because of great variety of  
5 agency action and contexts, and inability to describe how general standards of review should  
6 apply to many of them). Alternative 1 reflects this view.  
7

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

### 20 **Comment**

21  
22 Judicial review is essential and exists in all states. Subsections (a) (1) & (2) describe the  
23 general burdens on the appellant and the approach under this Act. They are substantially similar  
24 to the general scope of review provisions of the Federal APA, 5 U.S.C. Section 706.  
25

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

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 examination~~ used 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  
23 removed only for good cause following notice and an opportunity for a contested case hearing.

1 (b) The chief administrative law judge:

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

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

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

7 (4) is eligible for reappointment;

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

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

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

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

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

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

16 (1) supervise and manage the office;

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

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

21 (4) establish and implement standards for equipment, supplies, and technology for  
22 administrative law judges;

23 (5) provide and coordinate continuing education programs and services for

1 administrative law judges and advise them of changes in the law relative to their duties;  
2 (6) adopt rules to implement this [article] through rulemaking proceedings in accordance  
3 with this [act];  
4 [(7) [appoint and remove administrative law judges in accordance with this [article]; ]  
5 [(8)] monitor the quality of adjudications in contested cases through training,  
6 observation, feedback and evaluation for professional development; and  
7 [(9)] when necessary, discipline administrative law judges who do not meet appropriate  
8 standards of conduct and competence.

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

10 (a) An administrative law judge:

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

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

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

16 (4) is subject to the code of conduct for administrative law judges adopted in the  
17 state;

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

22 (6) receive compensation provided by law;

23 (7) be subject to a reduction in force only in accordance with established [civil

1 service][ merit system] procedure;

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

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

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

8 **SECTION 606. POWERS OF ADMINISTRATIVE LAW JUDGES.** An  
9 administrative law judge shall exercise all the powers of a presiding officer under this [act].

10 **Comment**

11 The powers and duties of presiding officers are contained in Sections 403 (contested case  
12 procedures, and Section 406 (informal adjudication procedures).  
13

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

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

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

20 **SECTION 608. DECISION-MAKING AUTHORITY OF ADMINISTRATIVE**  
21 **LAW JUDGES.**

22 (a) Unless the agency head elects to conduct the hearing, in which case the agency head  
23 shall render a final decision under Section 417(a), in a contested case, an administrative law  
24 judge shall be assigned to serve as the presiding officer. The administrative law judge shall

1 render the recommended [or final] decision of the agency in all adjudications in a contested case  
2 except for ~~contested~~~~disputed~~ cases involving the following agencies:

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

4 (b) Except as otherwise provided by law, an administrative law judge shall issue a  
5 recommended decision unless the agency head authorizes the issuance of a final decision. A  
6 recommended decision of an administrative law judge is a final agency decision unless the  
7 agency decides to review the decision. This section does not prevent an administrative law judge  
8 from issuing an order as a result of an emergency adjudication under Section 408.

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

15

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  
13 | process. Details of the committee staff and adoption of rules to govern the rules review  
14 | committee staff and organization are governed by law other than this act including the existing  
15 | law in each state.  
16 |

17 | **SECTION 702. [RULES REVIEW COMMITTEE] DUTIES.**

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

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

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

28 | (5) The rule complies with the regulatory analysis requirements of Section 305,

1 and properly determines the factors under Section 305(c).

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

6 (d) The [rRules rReview cCommittee]:

7 (1) shall maintain oversight over agency rulemaking; and

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

9 **Comment**

10 This section adopts a rules review committee process that is widely followed in state  
11 administrative law as a method for legislative review of agency rules. Subsection (b) requires the  
12 legislative rules review committee to review all final agency rules as well as newly adopted  
13 rules. The rules review committee may establish priorities for rules review including review of  
14 newly adopted or amended rules, and may manage the rules review process consistent with  
15 committee staff and budgetary resources.  
16

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

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

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

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

23 (3) disapprove the adopted, amended, or repealed rule. ~~of the rule by committee-~~

24 ~~resolution and, if the rule is disapproved, then the rule is suspended until the legislature adopts a~~

25 ~~joint resolution sustaining the action of the committee or until adjournment of the [next]~~

26 ~~legislative session.~~

1           (b) If the [rules review committee] approves the adopted, amended or repealed rule, or  
2 does not propose an amendment under subsection (a)(2) or disapprove under subsection (a)(3),  
3 the adopted, amended, or repealed rule becomes effective as provided under Section 316. In case  
4 of legislative disapproval or the offer of withdrawal or reconsideration, an agency within [ ]  
5 days in writing shall notify the [Rules Review Committee] and [publisher] that the agency:

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

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

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

9           (c) If the [rules review committee] proposes an amendment to the adopted or amended  
10 rule under subsection (a)(2), the agency may make the amendment, and resubmit the rule, as  
11 amended, to the [rules review committee]. An agency is not required to hold a hearing on an  
12 amendment made under this subsection. If the agency makes the amendment, it shall also give  
13 notice to the [publisher] for publication of the rule, as so amended, in the [administrative  
14 bulletin]. The notice shall include the text of the rule as amended. If the [rules review committee]  
15 does not disapprove of the rule, as amended, or propose a further amendment, the rule becomes  
16 effective on the date specified for the original rule under Section 314. If the agency withdraws  
17 the rule, it shall give notice of withdrawal to the [publisher] for publication in the [administrative  
18 bulletin] and shall notify the [Rules Review Committee] of withdrawal in writing at the same  
19 time. The rule shall be withdrawn without public hearing. Withdrawal is effective on the date of  
20 publication of the notice of withdrawal in the [administrative bulletin].

21           (d) If the [rules review committee] disapproves the adoption, amendment, or repeal of a  
22 rule under subsection (a)(3), the adopted, amended, or repealed rule becomes effective upon  
23 adjournment of the next regular session of the legislature unless prior to that adjournment the

1 ~~legislature adopts a joint resolution sustaining the action of the committee. If the agency amends~~  
2 ~~the rule to comply with the [Rules Review Committee] objections, it shall make only the changes~~  
3 ~~necessary to meet the objections, and shall resubmit the rule, as amended, to the [Rules Review~~  
4 ~~Committee]. The agency shall also give notice to the [publisher] for publication in the~~  
5 ~~[administrative bulletin] of the change made to comply with the [Rules Review Committee]~~  
6 ~~objection that shall include the text of the rule as changed and the objection to which it is~~  
7 ~~directed. The agency is not required to hold a public hearing on an amendment made under this~~  
8 ~~subsection.~~

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

21 (1) ~~may post notice of the detailed objections of the [Rules Review Committee] to the~~  
22 ~~rule in the [administrative bulletin] together with a reference to the location in the~~  
23 ~~[administrative bulletin] where the full text of the rule can be found. Posting notice of the~~

1 ~~detailed objections shall place upon the agency the burden of proving, in any later action~~  
2 ~~challenging the legality of the rule or portion of the rule objected to by the [Rules Review~~  
3 ~~Committee], that the rule or portion of the rule objected to was not unreasonable, arbitrary,~~  
4 ~~capricious, not adopted in compliance with [Article] 3, or otherwise beyond the authority~~  
5 ~~delegated to the agency; and—~~

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

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

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

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

17 ~~(2) If the agency refuses to temporarily suspend the rule, then the [Rules Review~~  
18 ~~Committee] shall cause notice of the refusal to suspend operation of the rule in the~~  
19 ~~[administrative bulletin]. Posting notice under this subparagraph shall suspend the operation of~~  
20 ~~the rule for [[ ] days] [until the end of the next regular session of the Legislature].— ]~~

### 21 **Comment**

22 This is a type of veto that provides for cooperation between the Legislature and the  
23 Governor, and attempts to avoid the *Chadha v. I.N.S* problem of unconstitutionality by delaying  
24 the effective date of the rule until the legislature has the opportunity to enact legislation to annul  
25 or modify it. The governor may veto the act by which the legislature seeks to annul or modify

1 the rule. This type of veto provision is widely used in the states.  
2

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  
13 are governed by the prior law.