

D R A F T
FOR DISCUSSION ONLY

REVISED MODEL STATE ADMINISTRATIVE PROCEDURE ACT

NATIONAL CONFERENCE OF COMMISSIONERS
ON UNIFORM STATE LAWS

Draft after style committee review in January, 2008

WITH PREFATORY NOTE AND COMMENTS

Copyright ©2007
By
NATIONAL CONFERENCE OF COMMISSIONERS
ON UNIFORM STATE LAWS

The ideas and conclusions set forth in this draft, including the proposed statutory language and any comments or reporter's notes, have not been passed upon by the National Conference of Commissioners on Uniform State Laws or the Drafting Committee. They do not necessarily reflect the views of the Conference and its Commissioners and the Drafting Committee and its Members and Reporter. Proposed statutory language may not be used to ascertain the intent or meaning of any promulgated final statutory proposal.

April 1, 2008

DRAFTING COMMITTEE TO REVISE MODEL STATE ADMINISTRATIVE PROCEDURE ACT

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

FRANCIS J. PAVETTI, 18 The Strand, Goshen Point, Waterford, CT 06385, *Chair*

JERRY L. BASSETT, Legislative Reference Service, 613 Alabama State House, 11 S. Union St.,
Montgomery, AL 36130

STEPHEN C. CAWOOD, 108 Kentucky Ave., P.O. Drawer 128, Pineville, KY 40977-0128

KENNETH D. DEAN, University of Missouri-Columbia School of Law, 116 Jesse Hall,
Columbia, MO 65211

BRIAN K. FLOWERS, Council of the District of Columbia, 1350 Pennsylvania Ave. NW, Suite
4, Washington, DC 20004

JOHN L. GEDID, Widener Law School, 3800 Vartan Way, P.O. Box 69382, Harrisburg, PA
17106-9382

H. LANE KNEEDLER, 901 E. Byrd St., Suite 1700, Richmond, VA 23219

RAYMOND P. PEPE, 17 N. Second St., 18th Floor, Harrisburg, PA 17101-1507

ROBERT J. TENNESSEN, 2427 West 21 St., Minneapolis, MN 55405

GREGORY L. OGDEN, Pepperdine University, School of Law, 24255 Pacific Coast Highway,
Malibu, CA 90263, *Reporter*

EX OFFICIO

MARTHA LEE WALTERS, Oregon Supreme Court, 1163 State St., Salem, OR 97301-2563,
President

WILLIAM R. BREETZ, JR., Connecticut Urban Legal Initiative, 35 Elizabeth St., Rm K-202,
Hartford, CT 06105, *Division Chair*

AMERICAN BAR ASSOCIATION ADVISOR

RONALD M. LEVIN, Washington University School of Law, Campus Box 1120, 1 Brookings
Drive, St. Louis, MO 63130-4862, *ABA Advisor*

ROSE MARY BAILLY, 80 New Scotland Rd., Albany, NY 12208-3434, *ABA Section Advisor*

LARRY CRADDOCK, 2601 N Lamar Blvd., Austin, TX 78705-4260, *ABA Section Advisor*

EDWIN L. FELTER, JR., 633 17th St., Suite 1300, Denver, CO 80202, *ABA Section Advisor*

EDWARD J. SCHOENBAUM, 1108 S. Grand Ave. W., Springfield, IL 62704-3553, *ABA
Section Advisor*

EXECUTIVE DIRECTOR

JOHN A. SEBERT, 111 N. Wabash Ave., Suite 1010, Chicago, IL 60602, *Executive Director*

Copies of this Act may be obtained from:
NATIONAL CONFERENCE OF COMMISSIONERS
ON UNIFORM STATE LAWS
111 N. Wabash Ave., Suite 1010
Chicago, Illinois 60602
312/450-6600
www.nccusl.org

REVISED MODEL STATE ADMINISTRATIVE PROCEDURE ACT

TABLE OF CONTENTS

Prefatory Note	1
----------------------	---

[ARTICLE] 1

GENERAL PROVISIONS

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

[ARTICLE 2]

PUBLIC ACCESS TO AGENCY LAW AND POLICY

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

[ARTICLE] 3

RULEMAKING; ADOPTION AND EFFECTIVENESS OF RULES

SECTION 301. CURRENT RULEMAKING DOCKET	20
SECTION 302. AGENCY RECORD IN RULEMAKING PROCEEDING.....	21
SECTION 303. ADVICE ON POSSIBLE RULE BEFORE NOTICE OF PROPOSED RULE ADOPTION.....	22
SECTION 304. NOTICE OF PROPOSED RULE ADOPTION	24
SECTION 305. REGULATORY ANALYSIS	25
SECTION 306. PUBLIC PARTICIPATION.....	27
SECTION 307. FINAL ADOPTION.....	28
SECTION 308. VARIANCE BETWEEN PROPOSED RULE AND ADOPTED RULE.....	29
SECTION 309. EMERGENCY RULES; EXPEDITED RULEMAKING.....	30
SECTION 310. GUIDANCE DOCUMENTS	31
SECTION 311. CONTENTS OF RULE	34
SECTION 312. CONCISE EXPLANATORY STATEMENT	34
SECTION 313. INCORPORATION BY REFERENCE.....	35
SECTION 314. COMPLIANCE AND TIME LIMITATION	36
SECTION 315. FILING OF RULES	37
SECTION 316. EFFECTIVE DATE OF RULES	37
SECTION 317. PETITION FOR ADOPTION OF RULE	38

[ARTICLE] 4

ADJUDICATION IN A CONTESTED CASE

SECTION 401. WHEN ARTICLE APPLIES; CONTESTED CASES	40
SECTION 402. PRESIDING OFFICERS.	41
SECTION 403. CONTESTED CASE PROCEDURE	44
SECTION 404. NOTICE	49
SECTION 405. INFORMAL ADJUDICATION IN CONTESTED CASES	51
SECTION 406. INFORMAL ADJUDICATION PROCEDURE	53
SECTION 407. AGENCY HEARING RECORD IN CONTESTED CASE	54
SECTION 408. EMERGENCY ADJUDICATION PROCEDURE	55
SECTION 409. EX PARTE COMMUNICATIONS	57
SECTION 410. ADMINISTRATIVE ADJUDICATION CODE OF ETHICS	60
SECTION 411. INTERVENTION	61
SECTION 412. SUBPOENAS	62
SECTION 413. DISCOVERY	62
SECTION 414. CONVERSION	64
SECTION 415. DEFAULT	65
SECTION 416. LICENSES	66
SECTION 417. ORDERS: FINAL AND RECOMMENDED	67
SECTION 418. AGENCY REVIEW OF RECOMMENDED DECISIONS	68
SECTION 419. RECONSIDERATION	70
SECTION 420. STAY	71
SECTION 421. AVAILABILITY OF ORDERS; INDEX	71

[ARTICLE 5]

JUDICIAL REVIEW

SECTION 501. RIGHT TO JUDICIAL REVIEW; FINAL AGENCY ACTION REVIEWABLE	74
SECTION 502. REVIEW OF AGENCY ACTION OTHER THAN ORDER	75
SECTION 503. RELATION TO OTHER JUDICIAL REVIEW LAW AND RULES	75
SECTION 504. TIME FOR SEEKING JUDICIAL REVIEW OF AGENCY ACTION, LIMITATIONS	76
SECTION 505. STAYS PENDING APPEAL	77
SECTION 506. STANDING	77
SECTION 507. EXHAUSTION OF ADMINISTRATIVE REMEDIES	78
SECTION 508. AGENCY RECORD ON JUDICIAL REVIEW; EXCEPTION	79
SECTION 509. SCOPE OF REVIEW	80

[ARTICLE] 6

OFFICE OF ADMINISTRATIVE HEARINGS

SECTION 601. CREATION OF OFFICE OF ADMINISTRATIVE HEARINGS	85
SECTION 602. DUTIES OF OFFICE	85
SECTION 603. APPOINTMENT OF CHIEF ADMINISTRATIVE LAW JUDGE	85
SECTION 604. POWERS AND DUTIES OF CHIEF ADMINISTRATIVE LAW JUDGE.....	86
SECTION 605. APPOINTMENT OF ADMINISTRATIVE LAW JUDGES.....	87
SECTION 606. POWERS OF ADMINISTRATIVE LAW JUDGES	88
SECTION 607. COOPERATION OF STATE AGENCIES	88
SECTION 608. DECISION-MAKING AUTHORITY OF ADMINISTRATIVE LAW JUDGES.....	88

[[ARTICLE] 7

RULES REVIEW

SECTION 701. LEGISLATIVE RULES REVIEW COMMITTEE.....	90
SECTION 702. [RULES REVIEW COMMITTEE] DUTIES	90
SECTION 703. [RULES REVIEW COMMITTEE] PROCEDURE AND POWERS.....	91

[ARTICLE 8]

SECTION 801. EFFECTIVE DATE	94
-----------------------------------	----

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 features¹ 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.² By about 1960, twelve states had adopted the 1946 Act.³

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.⁴ 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

¹ 1946 Model State Administrative Procedure Act preface at 200.

² Id. at 200

³ 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.

⁴ Preface to 1961 Model State Administrative Procedure Act.

states adopted the 1961 Act or large parts of it.⁵

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 1961.⁶ The 1981 Act, when completed, consisted of ninety-four sections⁷. 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.⁸

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,

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

⁶ 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.

⁷ 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.

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

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

1 **REVISED MODEL STATE ADMINISTRATIVE PROCEDURE ACT**

3 **[ARTICLE] 1**

4 **GENERAL PROVISIONS**

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

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

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

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

14 (3) “Agency action” means:

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

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

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

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

21 (5) “Agency record” means the agency rulemaking record in rulemaking governed by Section
22 302, the emergency rulemaking record in rulemaking governed by Section 309(a), the expedited
23 rulemaking record in rulemaking governed by Section 309(b), the agency hearing record in an
24 adjudication governed by Section 407, and the agency record in informal and emergency cases

1 governed by Sections 406 and 408 .

2 (6) “Contested case” means an adjudication in which an opportunity for an evidentiary
3 hearing is required by the federal or state constitution, or a federal or state statute, or a judicial
4 decision.

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

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

9 (9) “Emergency adjudication” means an adjudication in a contested case in which
10 danger to the public health, safety, or welfare requires immediate action.

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

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

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

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

23 (14) “Internet website” means a centralized Internet website that permits the public to

1 search a permanent database that archives materials required to be published with the [publisher]
2 under this [act].

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

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

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

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

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

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

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

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

22 (23) “Proceeding” means any type of formal or informal agency process or procedure

1 commenced or conducted by an agency. The term includes adjudication, rulemaking, and
2 investigation.

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

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

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

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

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

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

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

17 (E) an opinion of the attorney general;

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

are in an adverse position to the state;

(G) guidance documents; or

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

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

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

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

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

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

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

Comment

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

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

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

Agency Head. This definition differentiates between the agency as an organic whole and 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 a
15 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 and
40 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.

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

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

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

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

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

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

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

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

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

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

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

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

Comment

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

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.

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 the Internet website [or other
23 appropriate technology].

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

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

3 (g) The [administrative bulletin] must contain:

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

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

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

10 (4) an index .

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

14 (i) The [publisher] shall also make available for public inspection and copying the
15 [administrative bulletin] and the [administrative code].

16 (j) The [publisher] may make minor non substantive corrections in spelling, grammar,
17 and format in proposed or adopted rules after notification of the agency. The [publisher] shall
18 make a record of the corrections.

19 (k) An agency shall make its rules, guidance documents, and orders in contested cases
20 available through electronic distribution and regular mail unless exempt from disclosure under
21 law other than this act.

22 (l) An agency may provide for electronic distribution of notices related to rulemaking or

1 guidance documents to a person who requests it.. If a notice is distributed electronically, the
2 agency is not required to transmit the actual notice form but must send all the information
3 contained in the notice.

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

6 (1) notice of each proposed rule adoption, amendment, or repeal;

7 (2) the summary of regulatory analysis of each proposed rule;

8 (3) each adopted rule, rule amendment, or rule repeal;

9 (4) each guidance document;

10 (5) each notice;

11 (6) each order in a contested case ; and

12 (7) any other notice or matter that an agency is required to publish under this act.

13 (n) The [publisher] may not charge a fee for public access to the [publisher]'s Internet
14 website [or other appropriate technology].

15 **Comment**

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

23
24 The arrival of the Internet and electronic information transfer, which occurred after the
25 last revision of the Model State Administrative Procedure Act, has revolutionized
26 communication. It has made available rapid, efficient and low cost communication and
27 information transfer. Many states as well as the federal agencies have found that it is an ideal
28 medium for communication between agencies and the public, especially in connection with
29 rulemaking. Since the last Model Administrative Procedure Act was written, many states have

1 adopted various types of statutes that permit agencies to use electronic technology to
2 communicate with the public. The agencies have found this technology particularly useful in
3 connection with rulemaking.
4

5 Subsection (c) requires that the [publisher] maintain the official record for adopted rules,
6 including the text of the rules and any supporting documents, filed by the agency. Subsection (c)
7 also requires that the agency adopting the rule maintain the rulemaking record for that rule.
8 Section 302(b) provides the requirements for the rulemaking record.
9

10 Subsection (d) requires the [publisher] to 1) maintain an Internet website, and 2) publish
11 all matters required to be published under this act on that website. If a state chooses to use
12 subsection (d), they will create a centralized website for use by all agencies. Subsection (d) also
13 requires that the [publisher] publish agency guidance documents filed by the agency with the
14 [publisher]. See section 202(4) and Section 310, below. Subsection (d) does not address issues
15 related to authentication, preservation and archival of electronic documents published on an
16 internet website. Subsection (d) does not address the principles for deciding what rules are in
17 effect and enforceable at a specific point in time.
18

19 Subsection (f) requires the publisher to make the administrative bulletin available in
20 written form upon request, for which the publisher may charge a reasonable fee. This
21 requirement can be satisfied by states making the administrative bulletin available on the
22 internet, searchable, and printable.
23

24 The bracketed text of subsection (g)(1), and (g) (2) is included so that agencies may
25 utilize redlining or underlining and striking of the text of the proposed or adopted rules so that
26 changes from the existing text of the rule are clearly delineated. Agencies that are proposing or
27 adopting new rules or that have some other system for showing changes need not use the
28 bracketed text.
29

30 It is possible to go much further in providing for use of the Internet that the publication
31 adopted here. For example, a state could choose to permit agencies to operate their own
32 websites, and to accept comments on rules on the website. They could also provide for
33 maintenance of a database of all comments received that the public could access. These
34 provisions are extremely useful, but may be quite expensive. The central system adopted here,
35 means only one Internet website is required. In terms of cost benefit, this is an effective method
36 of providing for electronic communication and agency access.
37

38 Subsection (h) requires the publisher to index the administrative code by subject. States
39 can satisfy this requirement by providing an administrative code that is searchable by word on
40 the internet.
41

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

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

SECTION 202. REQUIRED AGENCY RULEMAKING AND

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

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

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

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

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

(5) file with the publisher in electronic format acceptable to the publisher the agency's proposed rules; adopted rules, including rules adopted using the emergency process under Section 309(a) and rules adopted using the expedited process under Section 309(b); notices; and orders issued in contested cases;

(6) maintain a separate, official, current, and dated index and compilation of all rules adopted under [Article] 3, make the index and compilation available at agency offices for public inspection and copying [and online on the [publisher]'s Internet website], update the index and

1 compilation at least every [30 days], and file the index and the compilation and all changes to
2 both with the [publisher]; and

3 (7) maintain [custody of] the agency's current rulemaking docket required by Section
4 302(b).

5 **Comment**

6
7 One object of this section is to make available to the public all procedures followed by
8 the agency, including especially how to file for a license or benefit. It is modeled on the 1961
9 Model State Administrative Procedure Act, Sections 2(a) (4) & 2(b), the 1981 Model State APA
10 Sections 2-104(1),(2), and the Kentucky Administrative Procedure Act, KRS Section 13A.100.
11 Persons seeking licenses or benefits should have a readily available and understandable reference
12 sources from the agency. A second reason is to eliminate "secret law" by making all guidance
13 documents used by the agency available from the agency and the administrative [publisher].
14

15 Agencies could use expedited rulemaking procedures under Section 309(b) to adopt some
16 of the rules required by subsections (1), (2), (3), and (4).
17

18 **SECTION 203. DECLARATORY ORDER.**

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

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

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

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

4 **ALTERNATIVE A**

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

7 **ALTERNATIVE B**

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

10 **END OF ALTERNATIVES**

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

15 **Comment**

16
17 This section embodies a policy of creating a convenient procedural device that will enable
18 parties to obtain reliable advice from an agency. Such guidance is valuable to enable citizens to
19 conform with agency standards as well as to reduce litigation. It is based on the 1981 MSAPA,
20 Section 2-103 and Hawaii Revised Statutes, Section 91-8.

21
22 Subsection (d) states two alternatives: 1) agency decisions that decline to issue a
23 declaratory order are not judicially reviewable (See Heckler v. Chaney 470 U.S. 821 (1985)
24 (FDA decision not to undertake enforcement action is not reviewable under federal APA, 5
25 U.S.C. Section 701(a)(2).); 2) agency decisions that decline to issue a declaratory order are
26 judicially reviewable for abuse of discretion (See Massachusetts v. EPA 127 S. Ct. 1438 (2007)
27 (EPA decision to reject rulemaking petition and therefore not to regulate greenhouse gases
28 associated with global warming was judicially reviewable and decision was arbitrary and
29 capricious.).
30

1 Subsection (e) is based on the California APA, West's Ann.Cal.Gov.Code Section
2 11465.60; and the Washington APA, West's RCWA 34.05.240. A declaratory decision issued by
3 an agency is judicially reviewable; is binding on the applicant, other parties to that declaratory
4 proceeding, and the agency, unless reversed or modified on judicial review; and has the same
5 precedential effect as other agency adjudications. A declaratory decision, like other decisions,
6 only determines the legal rights of the particular parties to the proceeding in which it was issued.
7 The requirement in subdivision (e) that each declaratory decision issued contain the facts on
8 which it is based and the reasons for its conclusion will facilitate any subsequent judicial review
9 of the decision's legality. It also ensures a clear record of what occurred for the parties and for
10 persons interested in the decision because of its possible precedential effect.
11

12 **[SECTION 204. DEFAULT PROCEDURAL RULES.]**

13 (a) The [governor] [attorney general] [designated state agency] shall adopt default
14 procedural rules for use by agencies. The default rules must provide for the procedural functions
15 and duties of as many agencies as is practicable.

16 (b) Except as otherwise provided in subsection (c), an agency shall use the default
17 procedural rules published under subsection (a).

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

21 **Comment**

22 This Section is based on Section 2-105 of the 1981 MSAPA. See also the provisions of
23 the California Administrative Procedure Act, California Government Code Section 11420.20
24 (adoption of model alternative dispute resolution regulations by California Office of
25 Administrative Hearings.) One purpose of this provision is to provide agencies with a set of
26 procedural rules. This is especially important for smaller agencies. Another purpose of this
27 section is to create as uniform a set of procedures for all agencies as is realistic, but to preserve
28 the power of agencies to deviate from the common model where necessary because the use of the
29 model rules is demonstrated to be impractical for that particular agency. This section requires all
30 agencies to use the model rules as the basis for the rules that they are required to adopt under
31 Section 202. An agency may deviate from the model rules only for impracticability.
32

1
2 **[ARTICLE] 3**

3 **RULEMAKING; ADOPTION AND EFFECTIVENESS OF RULES**

4
5 **SECTION 301. CURRENT RULEMAKING DOCKET.**

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

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

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

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

20 **ALTERNATIVE A**

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

23 **ALTERNATIVE B**

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

END OF ALTERNATIVES

Comment

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

SECTION 302. AGENCY RECORD IN RULEMAKING PROCEEDING.

(a) An agency shall maintain a rulemaking record for each rule it proposes to adopt. The record and materials incorporated by reference must be readily available for public inspection in the central office of the agency and, unless unavailable for display on the Internet because it is exempt from disclosure under state law other than this [act], or incapable of being displayed electronically, available for public display on the Internet website maintained by the [publisher].

(b) A rulemaking record must contain:

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

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

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

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

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

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

9 **Comment**

10
11 Several states have adopted this type of agency rule-making record provisions: Az.,
12 A.R.S. Section 41-1029; Colo., C.R.S.A. Section 24-4-103; Minn., M.S.A. Section 14.365;
13 Miss., Miss. Code Ann. Section 25-43-3.110; Mont., MCA 2-4-402; Okl., 75 Okl.St.Ann.
14 Section 302; and Wash., RCWA 34.05.370.

15
16 The language of subsection (a) is based on Section 3-112(a) of the 1981 Model Act.
17 Similar language is found in the Washington Administrative Procedures Act, RCWA Section
18 34.05.370. The requirement of an official agency rulemaking record in subsection (a) should
19 facilitate a more structured and rational agency and public consideration of proposed rules. It
20 will also aid the process of judicial review of the validity of rules. The requirement of an official
21 agency rulemaking record was suggested for the Federal Act in S. 1291, the “Administrative
22 Practice and Regulatory Control Act of 1979,” title I, Section 102(d), [5 U.S.C. 553(d)], 96
23 Cong.Rec. S7126 at S7129 (daily ed. Jun. 6, 1979) (Sen. Kennedy).

24
25 Subsection (b) requires *all written* submissions made to an agency and *all written*
26 materials considered by an agency in connection with a rulemaking proceeding to be included in
27 the record. It also requires a copy of any existing record of oral presentations made in the
28 proceeding to be included in the rulemaking record.
29

30 **SECTION 303. Negotiated Rulemaking .**

31 (a) An agency may gather information relevant to the subject matter of possible
32 rulemaking and may solicit comments and recommendations from the public on a subject matter

1 of possible rulemaking under active consideration within the agency by causing notice of
2 possible rulemaking on the subject matter to be published in the [administrative bulletin] and
3 indicating where, when, and how persons may comment.

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

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

15 **Comment**

16
17 This section is based upon the provisions of Section 3-101 of the 1981 MSAPA. Seeking
18 advice before proposing a rule frequently alerts the agency to potential serious problems that will
19 change the notice of proposed rulemaking and the rule ultimately adopted. This section is
20 designed to encourage gathering information. It is not intended to prohibit any type of reasonable
21 agency information gathering activities; however, the section seeks to insure that agencies act in
22 a fashion that will result in a balance among interested groups from whom information is
23 received.

24
25 Several states have enacted provisions of this type in their APAs. Some of them merely
26 authorize agencies to seek informal input before proposing a rule; several of them indicate that
27 the purpose of this type of provision is to promote negotiated rulemaking. Those states are Idaho,
28 I.C. § 67-5220; Minnesota, M.S.A. § 14.101; Montana, MCA 2-4-304; and Wisconsin, W.S.A.
29 227.13. Subsection (b) is intended to authorize negotiated rulemaking.
30

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

8 **SECTION 304. NOTICE OF PROPOSED RULE ADOPTION.**

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

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

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

16 (3) the text of the rule proposed for adoption, amendment, or repeal;
17

18 (4) how copies of the full text of the regulatory analysis of the rule proposed for
19 adoption, amendment, or repeal may be obtained;

20 and

21 (5) where, when, and how a person may present their views on the rule proposed
22 for adoption, amendment, or repeal and request a hearing thereon if one is not already provided.

23 (b) Not later than three days after publication of the notice of the proposed for
24 adoption, amendment, or repeal of a rule in the [administrative bulletin], the agency shall mail or
25 send electronically the notice to each person that has made a timely request to the agency for a

1 mailed or electronic copy of the notice. An agency may charge a reasonable fee for written
2 mailed copies if the person has made a request for a mailed copy.

3 **Comment**

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

11 **SECTION 305. REGULATORY ANALYSIS.**

12 (a) An agency shall prepare a regulatory analysis for a rule proposed to be adopted
13 , amended, or repealed by the agency having an estimated economic impact of more than [\$
14 .]. [An agency shall prepare a regulatory analysis for any rule proposed to be adopted , amended,
15 or repealed by the agency having an estimated economic impact of less than [\$], if, not later
16 than [20] days after the notice of the proposed adoption, amendment , or repeal of the rule is
17 published, a written request for the analysis is filed with the agency by [the governor] [,] [another
18 agency] [,] [or] [a member of the Legislature]. The agency shall then prepare a regulatory
19 analysis of the rule proposed to be adopted , amended, or repealed.].

20 (b) An agency shall prepare a statement of no estimated economic impact for any rule
21 proposed to be adopted , amended, or repealed by the agency the adoption, amendment, or repeal
22 of which has no economic impact.

23 (c) A regulatory analysis must contain:

24 (1) a description of any person or classes of persons that would be affected by the
25 rule proposed to be adopted , amended, or repealed and the costs and benefits to that person or

1 class of persons;

2 (2) an estimate of the probable impact of the rule proposed to be adopted ,
3 amended, or repealed upon affected classes;

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

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

8 (d) An agency preparing a regulatory analysis under this section shall prepare a concise
9 summary of the regulatory analysis.

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

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

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

17 (2) the end of the period during which a hearing may be requested; or

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

20 **Comment**

21
22 Regulatory analyses are widely used as part of the rulemaking process in the states. The
23 subsection also provides for submission to the rules review entity in the state, if the state has one.
24 States that already have regulatory analysis laws can utilize the provisions of Section 305 to the
25 extent that this section is not inconsistent with existing law other than this act. Agencies may rely

1 upon agency staff expertise and information provided by interested stakeholders and participants
2 in the rulemaking process. Agencies are not required by this act to hire and pay for private
3 consultants to complete regulatory impact analysis.
4

5 **SECTION 306. PUBLIC PARTICIPATION.**

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

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

12 (c) Unless a hearing is required by law other than this [act], an agency is not required to
13 hold a hearing on a rule proposed to be adopted, amended, or repealed. If an agency does hold a
14 hearing, the agency may allow a person to make an oral presentation with information and
15 comments about the rule. Hearings must be open to the public and shall be recorded.

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

19 (e) An agency representative shall preside at a hearing on a rule proposed to be adopted,
20 amended, or repealed. If the presiding agency representative is not the agency head, the
21 representative shall prepare a memorandum for consideration by the agency head summarizing
22 the contents of the presentations made at the hearing.

23 **Comment**

24 This section gives discretion to the agency about whether to hold an oral hearing on
25

1 proposed rules in the absence of a statutory or constitutional requirement that an oral hearing be
2 held.

3
4 **SECTION 307. FINAL ADOPTION.**

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

7 (b) Not later than [180] days after the date of publication of the notice of proposed
8 adoption, amendment, or repeal of the rule, the agency shall adopt, amend, or repeal the rule
9 pursuant to the rulemaking proceeding or terminate the proceeding by publication of a notice to
10 that effect in the [administrative bulletin]. The agency shall file adopted rules with the
11 [publisher] within [] days after the date of adoption, amendment, or repeal of the rule.

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

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

17 **COMMENT**

18 This section codifies the final adoption and filing for publication requirements for
19 rulemaking that is subject to the procedures provided in sections 304 to 308 of this Act. Section
20 702(a) of this act requires that the agency shall file a copy of the adopted amended or repealed
21 rule with the rules review committee at the same time it is filed with the publisher. Subsection
22 (d) provides that a rule that is not properly adopted and filed for publication has no legal effect.

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

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

13 (b) If an agency proposes to adopt, amend, or repeal a rule and that action is expected to
14 be noncontroversial, it may use an expedited process in accordance with this subsection. A rule
15 adopted, amended, or repealed under this subsection is subject to Sections 202 and 304, and must
16 be published in the [administrative bulletin] along with a statement by the agency setting out the
17 reasons for using expedited rulemaking. If an objection to the use of the expedited rulemaking
18 process is received within the public comment period from any person, the agency shall file
19 notice of the objection with the [publisher] for publication in the [administrative bulletin] and
20 proceed with the normal rulemaking process specified in Sections 304 to 308, with the initial
21 publication of the rule serving as the notice of the proposed adoption, amendment, or repeal of a
22 rule.

1 **Comment**

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

7
8 Subsection (a) can be used to adopt program requirements necessary to comply with
9 federal funding requirements, or to avoid suspension of federal funds for noncompliance with
10 program requirements.

11
12 Subsection (b) is based upon a recommendation from the Administrative Conference of
13 the United States. Direct final rulemaking has been recommended by the Administrative
14 Conference of the United States [ACUS Recommendation 95-4, 60 Fed. Reg. 43110 (1995)].
15 The study that provided the basis for the recommendation was prepared by Professor Ron Levin
16 and has been published [Ronald M. Levin, "Direct Final Rulemaking" 64 George Washington
17 Law Review 1 (1995)]. [However, recognizing that there may be a few other justifications for
18 exemption, this section adopts a broader rule for matters that will be noncontroversial. Thus, a
19 situation where the agency is merely making a stylistic correction or correcting an error that the
20 agency believes is noncontroversial may be adopted without formal rulemaking procedures. See
21 the VA Fast-Track Rule provision at Va. Code Ann. Section 2.2-4012.1.]

22
23 In order to prevent misuse of this procedural device, noncontroversial rule promulgation
24 requires the consent of elected officials, and may be prevented by the requisite number of persons
25 filing objections.
26

27 **SECTION 310. GUIDANCE DOCUMENTS.**

28 (a) An agency may issue a guidance document without following the procedures set forth
29 in sections 304 to 308 . An agency may not issue a guidance document in place of a rule. A
30 guidance document binds the agency, but is advisory to, and does not bind any other person.
31

32 (b) A reviewing court may not give deference to a guidance document and shall
33 determine de novo the validity of a guidance document. A reviewing court may consider whether
34 the agency followed the guidance document and may [or must] enforce the guidance document
35 against the agency.

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

3 (d) Each agency shall maintain an index of all of its currently operative guidance
4 documents, file the index with the [publisher] on or before January 1 of each year, make the
5 index readily available for public inspection, and make available for public inspection the full
6 text of all guidance documents to the extent inspection is permitted by law. Upon request, an
7 agency shall make copies of guidance indexes or guidance documents available and may charge,
8 a reasonable fee. If any agency does not index a guidance document, the burden of proof shall
9 be upon the agency in any proceeding to establish that a party was not entitled to rely upon the
10 guidance document.

12 **Comment**

13
14 This section draws upon the provisions of the Arizona, Michigan, Virginia, and
15 Washington Administrative Procedure Acts. See: A.R.S. § 41-1001 & A.R.S. § 41-1091;
16 M.C.L.A. 24.203 & M.C.L.A. 24.224; Va. Code Ann. Section 2.2-4008; and WA RCWA §
17 34.05.230.

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

30
31 Many states have recognized the need for this type of exemption in their statutes. They
32 are also referred to as interpretive statements or policy statements. These states have defined
33 interpretive and policy statements differently from rules, and also excused agencies creating them

1 from some or all of the procedural requirements for rulemaking. See Ala. Ala. Code Section 41-
2 22-3(9)(c) (2000) (“memoranda, directives, manuals, or other communications which do not
3 substantially affect the legal rights of, or procedures available to, the public.”); Colo. Colo. Rev.
4 Stat. Section 24-4-102(15), 24-4- 103(1) (exception for interpretive rules or policy statements
5 “which are not meant to be binding as rules”); *AMAX, Inc. v. Grand County Bd. of Equalization*,
6 892 P.2d 409, 417 (Colo. Ct. App. 1994) (assessors’ manual is interpretive rule) (2001); Ga. Ga.
7 Code Ann., Section 50-13-4 (“Prior to the adoption, amendment, or repeal of any rule, other than
8 interpretive rules or general statements of policy, the agency shall”) (emphasis added); Mich,
9 M.C.L.A. 24.207(h) (excepts “A form with instructions, an interpretive statement, a guideline, an
10 informational pamphlet, or other material that in itself does not have the force and effect of law
11 but is merely explanatory.”). Wyoming, WY ST Section 16-3-103 (“Prior to an agency’s adoption,
12 amendment or repeal of all rules *other than interpretative rules or statements of general policy*,
13 the agency shall”) (emphasis added) and see *In re GP*, 679 P.2d 976, 996-97 (Wyo. 1984). See
14 also, Michael Asimow, *Guidance Documents in the States: Toward a Safe Harbor*, 54 Admin. L.
15 Rev. 631(2002). (Professor Asimow estimates that more than thirty states have adopted some
16 provision for agency guidance documents such as interpretive and policy statements).
17

18 Four states in particular have adopted detailed provision for guidance documents. They
19 are: Arizona, Michigan, Virginia, and Washington. See: A.R.S. § 41-1001 & A.R.S. § 41-1091;
20 M.C.L.A. 24.203 & M.C.L.A. 24.224; Va. Code Ann. Section 2.2-4008; and WA RCWA §
21 34.05.230. Their provisions strike a balance between the need of agencies for guidance
22 documents and the need of the public to be protected from “secret” law or law adopted without
23 the procedural protections of rulemaking. This section seeks to strike the same balance.
24

25 This section seeks to provide protection from abuse of guidance documents by various
26 definitional and procedural measures. One measure not provided is a requirement of a notice on
27 all guidance documents that informs members of the public of the right to petition the agency to
28 convert the guidance document to a rule. Only one state, Arizona, has adopted this measure. See
29 A.R.S. § 41-1091. Because of the numerous other protections in this section, that measure has
30 not been included.
31

32 The federal Administrative Procedure Act also makes a similar distinction. See 5 U.S.C.
33 Section 553(b)(A) (1988) (Under this section “interpretative rules, general statements of policy,
34 or rules of agency organization, procedure, or practice” are excused from normal Section 553
35 notice and comment procedural requirements).
36

37 Subsection (d) provides for de novo judicial review of the validity of guidance
38 documents. Under this standard, also known as the independent judgment or the substituted
39 judgment standard, reviewing courts considering the validity of guidance documents will not
40 defer to the agency interpretation contained in the guidance document. Subsection (d) also
41 contains provisions addressing reliance interests of persons who follow the provisions of agency
42 guidance documents. If an agency fails to follow the provisions of the guidance document, the
43 reviewing court may apply principles of equitable estoppel to preclude the agency from a change
44 in position that causes detrimental reliance to the affected person. Equitable estoppel is generally

1 not recognized in federal administrative law (*Office of Personnel Management v. Richmond*
2 (1990) 496 U.S. 414) unless a due process of law fair notice standard is violated (*General*
3 *Electric Co., v. EPA*, 53 Fed. 3d 1324 (DC Cir.1995). Equitable estoppel is more widely
4 recognized in state administrative law (*Footes Dixie Dandy, Inc. v. McHenry*, 607 S. W. 2d 323
5 (Ark. 1980); *Lentz v. McMahon*, 49 Cal. 3d 393, 406-407, 777 P. 2d 83 (Cal. 1989). There is a
6 balance between encouraging or requiring agencies to issue guidance documents that provide
7 advice to members of the public and holding agencies responsible for mistaken advice that
8 persons reasonable rely upon to their detriment.
9

10 **SECTION 311. CONTENTS OF RULE.** Each rule filed by the agency with the
11 [publisher] under Section 315 must contain the text of the rule and be accompanied by a record
12 containing:

- 13 (1) the date the agency adopted, amended, or repealed the rule;
- 14 (2) a statement of the purpose of the rule adopted, amended, or repealed;
- 15
- 16 (3) a reference to the specific statutory or other authority authorizing the action;
- 17 (4) any findings required by any provision of law as a prerequisite to adoption or
18 effectiveness of the action;
- 19 (5) the effective date of the action;
- 20 (6) the concise explanatory statement required by Section 312; and
- 21 (7) the final regulatory analysis statement required by Section 305.

22 **SECTION 312. CONCISE EXPLANATORY STATEMENT.**

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

- 25 (1) the agency's reasons for the action, which must include an explanation of the
26 principal reasons for and against the adoption, amendment, or repeal of the rule, the agency's

1 reasons for overruling substantial arguments and considerations made in testimony and
2 comments, and its reasons for failing to consider any issues fairly raised in testimony and
3 comments; and
4 (2) the reasons for any change between the text of the proposed rule contained in
5 the published notice of the proposed adoption or amendment of the rule and the text of the rule as
6 finally adopted or amended.

7 (b) An agency may use the reasons contained in the concise explanatory statement
8 required by subsection (a) as justification for the adoption, amendment, or repeal of the rule in
9 any proceeding in which the validity of the action is at issue.

10 **Comment**

11
12 Many states have adopted the requirement of a concise explanatory statement. Arkansas
13 (A.C.A. Section 25-15-204) and Colorado (C.R.S.A. Section 24-4-103) have similar provisions.
14 The federal Administrative Procedure Act uses the identical terms in Section 553 (c) (5 U.S.C.A.
15 Section 553). This provision also requires the agency to explain why it rejected substantial
16 arguments made in comments. Such explanation helps to encourage agency consideration of all
17 substantial arguments and fosters perception of agency action as not arbitrary.
18

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

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

25 (2) the reference in the rule fully identifies the incorporated code, standard, or rule by
26 citation, location, and date, and states whether the rule includes any later amendments or

1 editions of the incorporated code, standard, or rule;

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

4 (4) the rule states where copies of the code, standard, or rule are available for a
5 reasonable charge from the agency adopting the rule and where copies are available from the
6 agency of the United States, this state, another state, or the organization or association originally
7 issuing the code, standard, or rule; and

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

10 **Comment**

11
12 Several states have provisions that require the agencies to retain the voluminous
13 technical codes. See, Alabama, Ala.Code 1975 Section 41-22-9; Michigan, M.C.L.A. 24.232;
14 and North Carolina, N.C.G.S.A. § 150B-21.6. To avoid the problems created by those retention
15 provisions, but to assure that these technical codes are available to the public, this section adopts
16 several specific procedures. One protection is to permit incorporating by reference only codes
17 that are readily available from the outside promulgator, and that are of limited public interest as
18 determined by a source outside the agency. See Wisconsin, W.S.A. 227.21. These provisions
19 will guarantee that important material drawn from other sources is available to the public, but
20 that less important material that is freely available elsewhere does not have to be retained.
21

22 **SECTION 314. COMPLIANCE .** An action taken under this [article] including a rule
23 adopted, amended, or repealed using the emergency process under Section 309(a), or the
24 expedited process under Section 309(b) is not valid unless taken in substantial compliance with
25 the procedural requirements of this [article].

26 **Comment**

27
28 This section is a slightly modified form of the 1961 Model State Administrative
29 Procedure Act, section (3)(c). See also section 3-113(a) of the 1981 Model State Administrative
30 Procedures Act. Section 504(a) governs the timing of judicial review proceedings to contest any

1 rule on the ground of noncompliance with the procedural requirements of this [act]. The scope of
2 challenges permitted under Section 504(a) includes all applicable requirements of article 3 for the
3 type of rule being challenged.
4

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

13 **Comment**

14 This section is based on the 1961 Model State Administrative Procedure Act, Section 4(a)
15 and its expansion in the 1981 MSAPA, Section 3-114.
16

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

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

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

25 (c) The adoption, amendment, or repeal of a rule becomes effective immediately upon

its filing with the [publisher] or on any subsequent date earlier than that established by subsection (a) if it is required to be implemented by a certain date by the federal or [state] constitution, a statute, or court order.

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

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

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

Comment

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

SECTION 317. PETITION FOR ADOPTION OF RULE. Any person may petition an agency to request the adoption, amendment, or repeal of a rule. Each agency shall prescribe by rule the form of the petition and the procedure for its submission, consideration, and disposition. Not later than [60] days after submission of a petition, the agency shall:

(1) deny the petition in a record and state its reasons for the denial;

(2) initiate rulemaking proceedings in accordance with this [act]; or

(3) adopt, amend, or repeal the rule.

Comment

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

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.

6 Comment

7
8 Article 4 of this Act does not apply to all adjudications but only to those adjudications,
9 defined in Section 102 as a “contested case.” Contested case is the definition of the subset of
10 adjudications that fall within this section because law as defined in Section 102(14) requires an
11 evidentiary hearing to resolve particular facts or the application of law to facts. This section is
12 subject to the exceptions in Sections 405 and 406 for informal hearing and Section 408 for
13 emergency hearing if the requirements for those exceptions under this Article apply. If the
14 requirements for informal adjudication under Sections 405 and 406 or an emergency adjudication
15 under Section 408 are met, a hearing in a contested case may be conducted following the
16 procedures in those sections. All contested cases are also subject to Section 402 of this article.
17

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

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

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

37 This section draws upon the California, (see Cal. Cal.Gov.Code Section 11410.10);
38 Minnesota, (see Minnesota Statutes Annotated, Section 14.02, subd. 3; Washington (see Revised
39 Code of Washington, 34.05.413(2) and Kansas (see Kansas Stat. Ann., KS ST Section 77-502(d)

1 & Kansas Stat. Ann., KS ST Section 77-503).

2
3 **SECTION 402. PRESIDING OFFICERS.**

4 (a) In a contested case, the presiding officer shall manage the proceeding in a manner
5 that will promote a fair, just, orderly and prompt resolution.

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

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

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

17 (e) A presiding officer is subject to disqualification for bias, prejudice, financial interest,
18 or any other cause for which a judge is or may be disqualified. A presiding officer, after making a
19 reasonable inquiry, shall disclose to all parties any known facts that a reasonable person would
20 consider likely to affect the impartiality of the presiding officer in the contested case proceeding,
21 including:

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

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

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

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

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

- 19 (1) the Governor, if the original presiding officer is an elected official; or
20 (2) the appointing authority, if the original presiding officer is an appointed
21 official.

22 (i) The provisions of this section governing disqualification of a presiding officer also

1 govern disqualification of the agency head or other person or body to which the power to hear or
2 decide in the proceeding is delegated.

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

5 **Comment**

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

10
11 Subsection (b) confers a limited amount of discretion upon the agency head to determine
12 who will preside. The presiding officer may be either the agency head, or one or more members
13 of the agency head, or one or more administrative law judges assigned by the Office of
14 Administrative Hearings in accordance with Section 603. Without the bracketed language,
15 subsection (b) resembles the law in a group of states that have created a central panel of
16 administrative law judges, and have made the use of administrative law judges from the central
17 panel mandatory unless the agency head or one or more members of the agency head presides. In
18 some states, however, the use of central panel administrative law judges is mandatory only in
19 certain enumerated agencies or types of proceedings. If the bracketed language is adopted, the
20 agency head, in addition to the preceding options for appointment and unless prohibited by law,
21 may designate any one or more “other persons” to serve as presiding officer. This discretion is
22 subject to subsections (c) & (d) on separation of functions. This discretion is also limited by the
23 phrase “unless prohibited by law,” included in the bracketed language, which prevents the use of
24 “other persons” as presiding officers to the extent that the other state law prohibits their use.
25 Thus, if this language is adopted by a state that has an existing central panel of administrative
26 law judges whose use is mandatory in enumerated types of proceedings, the agencies must
27 continue to use the central panel for those proceedings, but may exercise their option to use
28 “other persons” for other types of proceedings.

29
30 Subsection (e) is based upon 1981 MSAPA Section 4-202(b). See also California
31 Government Code Section 11425.40(a). Disclosure duties under subsection (e) are based on state
32 ethics codes governing ethical standards for judges in the judicial branch of the government,
33 Section 12 of the 2000 Uniform Arbitration Act, and on state law governing the ethical
34 responsibilities of government officials and employees. See Section 410.

35
36 Subsection (f) is based on 1981 MSAPA Section 4-202(c).

37
38 Subsection (i) is based on California Government Code Section 11425.40(c).

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

6 **SECTION 403. CONTESTED CASE PROCEDURE.**

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

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

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

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

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

23 (2) An objection must be made at the time the evidence is offered. In the absence of an
24 objection, the presiding officer may exclude evidence at the time it is offered. A party may make

1 an offer of proof when evidence is objected to, or prior to the presiding officer's decision to
2 exclude evidence."

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

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

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

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

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

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

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

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

22 (h) All testimony of parties and witnesses must be given under oath or affirmation and

1 the presiding officer may administer an oath or affirmation for that purpose.

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

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

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

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

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

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

22 (o) Agencies must train new presiding officers in contested case procedures and in the

1 rules of evidence applicable to contested case proceedings.

2 **Comment**

3
4 This section specifies the minimum hearing requirements that must be met in disputed
5 cases under this act. This section applies to all agencies whether or not an agency rule provides
6 for a different procedure; this procedure is excused only if a statute expressly provides otherwise.
7 This section does not prevent an agency from adopting more stringent procedures than those in
8 this section. This section does not supersede conflicting state or federal statutes.
9

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

22 This section is modeled in part on the Arizona Regulatory Bill of Rights, see A.R.S.
23 Section 41-1001.01 and the California Administrative Adjudication Bill of Rights, see West
24 Ann.Cal.Gov.Code Section 11425.10.
25

26 Under subsection (c), agency procedures governing the case refers to rules of practice
27 adopted under Section 202, or default procedural rules adopted under Section 204, or procedures
28 required under the agency governing statute.
29

30 Under subsection (d)(1) evidence is unduly repetitious if its probative value is
31 substantially outweighed by the probability that its admission will necessitate undue consumption
32 of time. In most states a presiding officer's determination that evidence is unduly repetitious may
33 be overturned only for abuse of discretion. Under subsection (d)(1), the legal residuum rule is not
34 adopted and hearsay evidence can be sufficient to support fact findings if the hearsay evidence is
35 sufficiently reliable. This provision is based on the federal A.P.A. provision, 5 U.S.C. Section
36 556 (d), Richardson v. Perales, (1971) 402 U.S. 389 and the 1981 MSAPA Section 4-215(d).
37 (reasonably prudent person standard for reliability).
38

39 Subsection (d)(4) information that is not a public record means information not subject to
40 disclosure under the applicable public records act in the jurisdiction.
41

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

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

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

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

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

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

Section 10 of the 1961 MSAPA contained many similar provisions.

SECTION 404. NOTICE.

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

(b) In case of applications or petitions submitted by persons other than the agency, within

1 a reasonable time after filing, the agency shall give notice to all parties that an action has been
2 commenced. The notice must include:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18 **Comment**

19
20 This section is taken from: the 1961 Model State Administrative Procedure Act, section 9
21 and the 1981 Model State Administrative Procedure Act, Section 4-206. See also; Oregon,
22 O.R.S. Section 183.415; Kansas, K.S.A. Section 77-518; Iowa, I.C.A. Section 17A.12; Montana,
23 MCA 2-4-601; and Michigan, M.C.L.A. 24.271.
24

25 **SECTION 405. INFORMAL ADJUDICATION IN CONTESTED CASES.** Unless

1 prohibited by law other than this [act], an agency may use an informal hearing procedure in a
2 contested case if:

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

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

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

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

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

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

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

17 **Comment**

18
19 The informal hearing procedure is intended to satisfy due process and public policy
20 requirements in a manner that is simpler and more expeditious than formal adjudication. The
21 informal hearing procedure provides a forum in the nature of a conference in which a party has
22 an opportunity to be heard by the presiding officer. The informal hearing procedure provides a
23 forum that may accommodate a hearing where by rule or statute a member of the public may
24 participate without appearing or intervening as a party.
25

26 This section adopts a single category of informal procedure that an agency may use to
27 perform the same functions, and the following section leaves to the discretion of the presiding
28 officer the exact hearing procedure to be followed. This section also draws upon the California

1 provision for an informal procedure, see Ann.Cal.Gov.Code SECTION 11445.20.

2
3 Subsection 2(D) is intended to deal with the situation that arises in federal constitutional
4 law where the constitution protects a life, liberty or property interest, but, under the holding of
5 Mathews v. Eldridge, 424 U.S. 319, 96 S.Ct. 893 (1976) do not require all the protections of a
6 formal hearing. See Goss v. Lopez, (1975) 419 U.S. 565, 581-582 (informal due process hearing
7 for school suspension of ten days or less), and Cleveland Board of Education v. Loudermill
8 (1985) 472 U.S. 532.
9

10 **SECTION 406. INFORMAL ADJUDICATION PROCEDURE.**

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

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

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

- 23 (1) to notice that includes the decision to proceed by informal adjudication;
24 (2) to protest the choice of informal procedure, and to have that protest promptly
25 decided by the presiding officer;
26 (3) to participate in person or by a representative;

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

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

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

10 **Comment**

11
12 This section draws on the informal adjudication provisions of several state Administrative
13 Procedure Acts. See: California Administrative Procedure Act, West's Ann.Cal.Gov.Code
14 SECTION 11445.40; Va. Administrative Procedure Act, Section 2.2-4019, Va. Code Ann. § 2.2-
15 4019; and Washington Administrative Procedure Act, Section 34.05.485, West's RCWA §
16 34.05.485. Under this section, the informal adjudication procedure is a simplified form of an
17 adjudication under the control of the presiding officer. The informal hearing may be in the
18 nature of a conference at the discretion of the presiding officer. Although the hearing is
19 streamlined and informal, the hearing officer must observe basic protections of fairness spelled
20 out in subsection (c) and protections described in *Mathews v. Eldridge*, 424 U.S. 319, 96 S.Ct.
21 893 (1976). . See *Goss v. Lopez*, (1975) 419 U.S. 565, 581-582 (informal due process hearing for
22 school suspension of ten days or less), and *Cleveland Board of Education v. Loudermill* (1985)
23 472 U.S. 532. Subsection (d) includes as part of the record an official transcript of oral
24 testimony. Oral testimony can be recorded using any reliable method including audiotapes.
25 Stenographic transcripts prepared by a certified shorthand reporter are not required by this
26 subsection.

27 28 29 **SECTION 407. AGENCY HEARING RECORD IN CONTESTED CASE.**

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

31 (b) The agency hearing record consists of:

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

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

SECTION 408. EMERGENCY ADJUDICATION PROCEDURE.

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

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

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

6 (d) Any order issued under this section must contain an explanation that briefly explains
7 the factual and legal reasons for making the decision using the procedures provided by this
8 Section of the Act.

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

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

15 (g) The agency record in an emergency adjudication consists of any testimony or records
16 concerning the matter that were considered or prepared by the agency. The agency shall maintain
17 those records as its official record.

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

20 **Comment**

21
22 The procedure of this section is intended permit immediate agency emergency
23 adjudication, but also to provide minimal protections to parties against whom such action is
24 taken. Emergencies regularly occur that immediately threaten public health, safety or welfare:
25 licensed health professionals may endanger the public; developers may act rapidly in violation of

1 law; or restaurants may create a public health hazard. In such cases the agencies must possess
2 the power to act rapidly to curb the threat to the public. On the other hand, when the agency acts
3 in such a situation, there should be some modicum of fairness, and the standards for invoking
4 such remedy must be clear, so that the emergency label may be used only in situations where it
5 fairly can be asserted that rapid action is necessary to protect the public.

6
7 Federal and state case law have held that in an emergency situation an agency may act
8 rapidly and postpone any formal hearing without violation, respectively, of federal or state
9 constitutional law. *FDIC v. Mallen*, 486 U.S. 230 (1988); *Gilbert v. Homar* (1997) 520 U.S.
10 924; *Dep't of Agric. v. Yanes*, 755 P.2d 611 (OK. 1987).

11
12 The generic provision in this section has several advantages over the present divergent
13 approaches to emergency agency action. First, all agencies have the needed power to act without
14 delay, but there is provision for some type of brief hearing, if feasible. Second, this article limits
15 the agency to action of this type only in a genuine, defined emergency. Third, there are pre and
16 post deprivation protections. This section seeks to strike an appropriate balance between public
17 need and private fairness.

18
19 This section does not apply to an emergency adjudication, cease and desist order, or other
20 action in the nature of emergency relief issued pursuant to express statutory authority arising
21 outside of this act.

22 23 **SECTION 409. EX PARTE COMMUNICATIONS.**

24 (a) Except as otherwise provided in subsections (b) and (c), while a contested case is
25 pending, the presiding officer may not make to or receive from any person any communication
26 regarding any issue in the proceeding [or relevant to the merits of the proceeding] without notice
27 and opportunity for all parties to participate in the communication. For the purpose of this
28 section, a proceeding is pending from the issuance of the agency's pleading, or from an
29 application for an agency decision, whichever is earlier.

30 (b) The presiding officer may make communications to or receive communications from a
31 law clerk or a person authorized by law to provide legal advice to the agency or may
32 communicate on ministerial matters with a person who serves on the personal staff of the
33 presiding officer if the person providing legal advice or ministerial information has not served as

investigator, prosecutor, or advocate at any stage of the proceeding;

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

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

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

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

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

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

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

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

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

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

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

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

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

Comment

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

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

5
6 This section draws in part from the systematic California provisions on ex parte contacts.
7 See West's Ann.Cal.Gov.Code Section 11430.10 to 11430.80. The California sections address
8 many of the problems that arise in this area, and attempt to distinguish technical, advisory
9 contacts from agency staff to presiding officers or agency heads from other kinds of party
10 contacts.

11 12 **SECTION 410. ADMINISTRATIVE ADJUDICATION CODE OF ETHICS.**

13 (a) Except as otherwise provided in subsection (b), the [code of judicial ethics] applicable
14 to the conduct of judges [in the judicial branch in this state] governs the hearing and other
15 conduct of an administrative law judge or other presiding officer adjudicating a contested case.
16 Or [Except as otherwise provided in subsection (b), the administrative law judge code of ethics
17 adopted in the state governs the hearing and other conduct of an administrative law judge or
18 other presiding officer adjudicating a contested case.]

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

23 **Comment**

24
25 Section 410 is based on the provisions of the California A.P.A. California Government
26 Code Sections 11475 to 11475.70 (Administrative Adjudication Code of Ethics). This section
27 applies to administrative law judges the provisions of the Code of Judicial Ethics applicable to
28 judges in the judicial branch in the state, with exceptions as noted. Some of the exceptions are
29 based on provisions of this act. Other exceptions are based on state statutes governing the ethical
30 responsibilities of government officials and employees. Section 410 provides applicable law to
31 govern disqualification of presiding officers under Section 402(e).

1 **SECTION 411. INTERVENTION.**

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

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

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

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

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

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

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

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

20 **Comment**

21
22 Section 411 is based in part of 1981 MSAPA Section 4-209. See also Federal Rule of
23 Civil Procedure Rule 24 (intervention of right under Rule 24(a), and permissive intervention
24 under Rule 24(b)).
25

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

11 **SECTION 412. SUBPOENAS.**

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

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

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

23 **Comment**

24 Section 412 is based in part on 1981 MSAPA Section 4-210. See also California
25 Government Code sections 11450.05 to 11450.50 (subpoenas in administrative adjudication).
26

27 **SECTION 413. DISCOVERY.**

28 (a) As used in this section, "statement" includes records signed by a person of his or her

1 oral statements and records that summarize these oral utterances.

2 (b) Except in an emergency hearing under Section 408, a party, upon written notice to
3 another party at least [] days before an evidentiary hearing, is entitled to:

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

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

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

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

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

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

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

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

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

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

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

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

12 **Comment**

13
14 Discovery in administrative adjudication is more limited than in civil court proceedings.
15 Nevertheless discovery is available for the items listed in subsection (b). See California
16 Government Code Section 11507.6 to 11507.7 (discovery in administrative adjudication).
17

18 **SECTION 414. CONVERSION.**

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

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

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

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

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

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

Comment

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

SECTION 415. DEFAULT.

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

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

(c) Within [] days after a decision is rendered against a party who failed to appear, that

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

6 **Comment**

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

12
13 Subsection (b) is adapted from the Alaska Administrative Procedure Act, AS 44.62.530
14 and the California Administrative Procedure Act, West's Ann.Cal.Gov.Code § 11520.
15

16 **SECTION 416. LICENSES.**

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

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

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

Comment

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

SECTION 417. ORDERS: FINAL AND RECOMMENDED.

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

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

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

(d) A recommended or final order must include separately stated findings of fact and conclusions of law on all material issues of fact, law, or discretion, the remedy prescribed, and, if applicable, the action taken on a petition for stay. A party may submit proposed findings of fact. If a party has submitted proposed findings of fact, the order must include a ruling on the proposed findings. The order must also include a statement of the available procedures and time

limits for seeking reconsideration or other administrative relief, and a statement of the time limits for seeking judicial review of the agency order. A recommended decision must include a statement of any circumstances under which the recommended decision, without further notice, may become a final order.

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

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

Comment

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

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

SECTION 418. AGENCY REVIEW OF RECOMMENDED DECISIONS.

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

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

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

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

(c) A petition for review of a recommended decision must be filed with the agency head,

1 or with any person designated for this purpose by rule of the agency, within [10] days after the
2 recommended decision is rendered. If the agency head decides to review a recommended
3 decision on its own motion, the agency head shall give written notice of its intention to review
4 the recommended decision within [10] days after it is rendered.

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

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

21 (f) An agency head may render a final order disposing of the proceeding or may remand
22 the matter for further proceedings with instructions to the presiding officer who rendered the

recommended decision. Upon remanding a matter, the agency head may order such temporary relief as is authorized and appropriate.

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

Comment

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

SECTION 419. RECONSIDERATION.

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

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

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

6 **Comment**

7 This section is based in part on the Washington APA, West's RCWA 34.05.470. This
8 section creates a general right to seek reconsideration of a recommended or final order.
9 Subsection (b) must be read concurrently with Section 507(d), which excuses exhaustion to the
10 extent that a provision of this [act] provides for excuse.
11

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

15 **Comment**

16 The 1961 MSAPA § 15 contained a provision for a stay. Stays are sometimes necessary
17 to preserve the status quo pending agency review or judicial review.
18

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

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

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

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

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

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

15 **Comment**

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

25
26 In some states there have been attacks on agency adjudications on the basis that the
27 proceeding should be conducted under the provisions for rulemaking. In the case of SEC v.
28 Chenery Corp., 332 U.S. 194 (1947) the United States Supreme Court held that the choice of
29 whether to proceed by rulemaking or adjudication is left entirely to the discretion of the agency,
30 because not every principle can be immediately promulgated in the form of a rule. In the words

1 of the Supreme Court “Some principles must await their own development, while others must be
2 adjusted to meet particular, unforeseeable situations.” Most states follow Chenery. See
3 Illuminating a Bureaucratic Shadow World: Precedent Decisions under California’s Revised
4 Administrative Procedure Act, 21 J. Nat’l A. Admin. L. Judges 247 (2001) at n. 68.

5
6 This section makes clear that the choice between rulemaking and adjudication is entirely
7 in the discretion of the agency. However, in order to prevent law to which the public does not
8 have access from constituting the basis for decision, final orders must be indexed and available to
9 the public. See also the California administrative procedure act at West’s Ann. Cal. Gov. Code, §
10 11425.60
11

1 **[ARTICLE 5]**

2 **JUDICIAL REVIEW**

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

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

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

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

15 **Comment**

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

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

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

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

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

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

11 **Comment**
12

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

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

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

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

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

5 **Comment**

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

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

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

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

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

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

1 agency, the time for seeking judicial review in subsection (b) is tolled.

2
3 **Comment**

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

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

15 **Comment**

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

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

- 21 (1) a person eligible for standing under law of this state other than this [act]; and
22 (2) a person otherwise aggrieved or adversely affected by the agency action.

23 **Comment**
24

25 Subsection (1) confers standing that arises under any other provision of law. Examples
26 of this type of standing are statutes that expressly confer standing in general language such as, for
27 example, “any person may commence a civil suit in his own behalf... to enjoin... an agency...
28 alleged to be in violation of this chapter. . . . 16 U.S.C.A. § 1540, explained in *Bennett v. Spear*,
29 520 U.S. 154, 117 S.Ct. 1154(1997). Another example is standing recognized in judicial

1 decision or common law.

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

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

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

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

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

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

26 (e) The court may relieve a petitioner of the requirement to exhaust any or all

1 administrative remedies to the extent that the administrative remedies are inadequate or would
2 result in irreparable harm.

3 **Comment**

4
5 This section creates a default requirement of exhaustion, which is generally followed in
6 the states. However, the section creates several exceptions to the default rule. Subsection (b)
7 requires issue exhaustion in appeals from rulemaking for persons who did not participate in the
8 challenged rulemaking. It excuses persons seeking judicial review of a rule who were not parties
9 before the agency from the exhaustion requirement; but, if the issue that they seek to raise was
10 not raised and considered in the rulemaking proceeding that they challenge, then they must first
11 petition the agency to conduct another rulemaking to consider the issue. If the agency refuses to
12 do so or if the agency conducts a second rulemaking that is adverse to the petitioner on the issue
13 or issues raised in his petition for rulemaking, then the petitioner may seek judicial review.
14 Subsection (d) recognizes the judicially created exception to the exhaustion requirement where
15 agency relief would be inadequate or would result in irreparable harm. In some states courts
16 have held that irreparable harm that is a sufficient condition to excuse exhaustion exists only if it
17 outweighs the public interest in exhaustion. State courts are free under this section to engage in
18 that weighing test.
19

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

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

25 **Comment**

26
27 This section establishes a default closed record for judicial review of adjudication and
28 rulemaking. It is well established in most states and in federal administrative procedure that, in
29 case of adjudication, judicial review is based upon that evidence which was before the agency on
30 the record. Otherwise, the standards of judicial review could be subverted by the introduction of
31 additional evidence to the court that was not before the agency. See *Western States Petroleum*
32 *Ass'n v. Superior Court*, 888 P.2d 1268 (Cal. 1995). For rulemaking, the record for judicial
33 review is defined in Section 302 of this Act.
34

35 The section contains an exception to the closed record on review where petitioner alleges
36 error, such as ex parte contacts, that does not appear in or is not evident from the record. Other

1 examples of error that do not appear or are not evident from the record are: improper constitution
2 of the decision making body, grounds for disqualification of a decision maker, or unlawful
3 procedure. However, the standard for opening the record on appeal is high.
4

5 **SECTION 509. SCOPE OF REVIEW.**

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

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

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

11 **ALTERNATIVE 1**

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

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

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

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

19 (D) an agency determination of fact is not supported by substantial
20 evidence in the record as a whole; or

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

23 **ALTERNATIVE 2**

24 (3) The court may grant relief only if it determines that a person seeking judicial

1 review has been prejudiced and the agency action is :

2 (A) unconstitutional on its face or as applied or is based upon a provision
3 of law that is unconstitutional on its face or as applied;

4 (B) beyond the authority delegated to the agency by any provision of law
5 or is in violation of any provision of law;

6 (C) based upon an erroneous interpretation of a provision of law whose
7 interpretation has not clearly been vested by a provision of law in the discretion of the agency;

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

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

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

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

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

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

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

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

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

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

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

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

17 **END OF ALTERNATIVES**

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

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

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

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

22 **Comment**

23

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

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

1 [ARTICLE] 6

2 OFFICE OF ADMINISTRATIVE HEARINGS

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

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

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

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

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

14 SECTION 602. DUTIES OF OFFICE.

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

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

19 SECTION 603. APPOINTMENT OF CHIEF ADMINISTRATIVE LAW JUDGE.

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

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

2 (b) The chief administrative law judge:

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

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

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

8 (4) is eligible for reappointment;

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

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

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

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

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

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

17 (1) supervise and manage the office;

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

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

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

1 administrative law judges;

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

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

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

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

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

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

12 (a) An administrative law judge:

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

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

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

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

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

1 system];

2 (6) receive compensation provided by law;

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

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

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

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

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

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

13 **Comment**

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

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

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

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

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

1 **LAW JUDGES.**

2 (a) Unless the agency head elects to conduct the hearing, in which case the agency head
3 shall render a final decision under Section 417(a), in a contested case, an administrative law
4 judge shall be assigned to serve as the presiding officer. The administrative law judge shall
5 render the recommended [or final] decision of the agency in all adjudications in a contested case
6 except for contested cases involving the following agencies:

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

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

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

1 [ARTICLE] 7

2 RULES REVIEW

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

5 SECTION 701. [LEGISLATIVE RULES REVIEW COMMITTEE].

6 (a) There is created a joint standing [rules review committee] of the legislature
7 designated the [rules review committee].

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

16 SECTION 702. [RULES REVIEW COMMITTEE] DUTIES.

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

19 (b) The [rules review committee] shall examine final agency rules and shall review
20 newly adopted, amended, or repealed rules on an ongoing basis to determine whether the:

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

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

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

(d) The [rules review committee]:

(1) shall maintain oversight over agency rulemaking; and

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

Comment

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

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

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

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

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

(3) disapprove the adopted, amended, or repealed rule.

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 314.

4 (c) If the [rules review committee] proposes an amendment to the adopted or amended
5 rule under subsection (a)(2), the agency may make the amendment, and resubmit the rule, as
6 amended, to the [rules review committee]. An agency is not required to hold a hearing on an
7 amendment made under this subsection. If the agency makes the amendment, it shall also give
8 notice to the [publisher] for publication of the rule, as so amended, in the [administrative
9 bulletin]. The notice shall include the text of the rule as amended. If the [rules review committee]
10 does not disapprove of the rule, as amended, or propose a further amendment, the rule becomes
11 effective on the date specified for the original rule under Section 314.

12 (d) If the [rules review committee] disapproves the adoption, amendment, or repeal of a
13 rule under subsection (a)(3), the adopted, amended, or repealed rule becomes effective upon
14 adjournment of the next regular session of the legislature unless prior to that adjournment the
15 legislature adopts a joint resolution sustaining the action of the committee.

16 (e) An agency may withdraw the adoption, amendment, or repeal of a rule by giving
17 notice of the withdrawal to the [rules review committee] and to the [publisher] for publication in
18 the [administrative bulletin]. A withdrawal under this subsection terminates the rulemaking
19 proceeding with respect to the adoption, amendment, or repeal, but does not prevent the agency
20 from initiating a new rulemaking proceeding for the same or substantially similar adoption,
21 amendment, or repeal.

Comment

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

1 [ARTICLE 8]

2

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

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

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

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

7 given or a petition filed before that date.

8 **Comment**

9

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

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

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

13 governed by the prior law.