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HOUSE BILL NO. 1473

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on General Laws
on February 15, 1995)

(Patron Prior to Substitute—Delegate Murphy)

A BILL to amend and reenact § 9-6.14:7.1 of the Code of Virginia, relating to publication of regulatory notices under the Administrative Process Act.

Be it enacted by the General Assembly of Virginia:

1. That § 9-6.14:7.1 of the Code of Virginia is amended and reenacted as follows:

§ 9-6.14:7.1. Public participation; informational proceedings; effect of noncompliance.

A. Any person may petition an agency to request the agency to develop a new regulation or amend an existing regulation. The agency receiving the petition shall receive, consider, and respond to the petition within 180 days. Agency decisions to initiate or not initiate rulemaking in response to petitions are not subject to judicial review.

B. In the case of all regulations, except those regulations exempted by § 9-6.14:4.1, an agency shall provide the Registrar of Regulations with a Notice of Intended Regulatory Action which describes the subject matter and intent of the planned regulation. At least thirty days shall be provided for public comment after publication of the Notice of Intended Regulatory Action. An agency shall not file proposed regulations with the Registrar until the public comment period on the Notice of Intended Regulatory Action has closed.

C. Agencies shall state in the Notice of Intended Regulatory Action whether they plan to hold a public hearing on the proposed regulation after it is published. Agencies shall hold such public hearings if required by basic law. If the agency states an intent to hold a public hearing on the proposed regulation in the Notice of Intended Regulatory Action, then it shall hold the public hearing. If the agency states in its Notice of Intended Regulatory Action that it does not plan to hold a hearing on the proposed regulation, then no public hearing is required unless, prior to completion of the comment period specified in the Notice of Intended Regulatory Action: (i) the Governor directs that the agency shall hold a public hearing or (ii) the agency receives requests for a public hearing from twenty-five persons or more.

D. Public participation guidelines for soliciting the input of interested parties in the formation and development of its regulations shall be developed, adopted and utilized by each agency pursuant to the provisions of this chapter. The guidelines shall set out any methods for the identification and notification of interested parties, and any specific means of seeking input from interested persons or groups which the agency intends to use in addition to the Notice of Intended Regulatory Action. The guidelines shall set out a general policy for the use of standing or ad hoc advisory panels and consultation with groups and individuals registering interest in working with the agency. Such policy shall address the circumstances in which the agency considers such panels or consultation appropriate and intends to make use of such panels or consultation.

E. In formulating any regulation, including but not limited to those in public assistance programs, the agency pursuant to its public participation guidelines shall afford interested persons an opportunity to submit data, views, and arguments, either orally or in writing, to the agency or its specially designated subordinate. However, the agency may, at its discretion, begin drafting the proposed regulation prior to or during any opportunities it provides to the public to submit input.

F. In the case of all regulations, except those regulations exempted by § 9-6.14:4.1, the proposed regulation and general notice of opportunity for oral or written submittals as to that regulation shall be published in the Virginia Register of Regulations in accordance with the provisions of subsection B of § 9-6.14:22 and such notice shall be published in a newspaper of general circulation published at the state capital and, in addition, as the agency may determine, it may be similarly published in newspapers in localities particularly affected, as well as publicized through press releases and such other media as will best serve the purpose and subject involved. In addition, the agency may, in its discretion, (i) publish the notice in any newspaper and (ii) publicize the notice through press releases and such other media as will best serve the purpose and subject involved. The Register and any newspaper publication shall be made at least sixty days in advance of the last date prescribed in the notice for such submittals. All notices, written submittals, and transcripts, summaries or notations of oral presentations, as well as any agency action thereon, shall be matters of public record in the custody of the agency.

The Registrar shall develop the format for the proper advertisement of proposed regulations in newspapers. The Registrar shall also be responsible for the publication of the newspaper advertising pertaining to proposed regulations. As used in this chapter, "Registrar" means the Registrar of Regulations appointed as provided in § 9-6.17.

60 G. Before delivering any proposed regulation under consideration to the Registrar as required in
61 subsection H below, the agency shall deliver a copy of that regulation to the Department of Planning
62 and Budget. In addition to determining the public benefit, the Department of Planning and Budget in
63 coordination with the agency, shall, within ~~45~~*forty-five* days, prepare an economic impact analysis of the
64 proposed regulation. The economic impact analysis shall include, but need not be limited to, the
65 projected number of businesses or other entities to whom the regulation would apply; the identity of any
66 localities and types of businesses or other entities particularly affected by the regulation; the projected
67 number of persons and employment positions to be affected; and the projected costs to affected
68 businesses or entities to implement or comply with such regulations. The Department may request the
69 assistance of any other agency in preparing the analysis. The Department shall deliver a copy of the
70 analysis to the agency drafting the regulation, which shall comment thereon as provided in subsection H,
71 and a copy to the Registrar for publication with the proposed regulation. No regulation shall be
72 promulgated for consideration pursuant to subsection H until such impact analysis has been received by
73 the Registrar. For purposes of this section, the term "particularly affected" locality, business, or entity
74 means any locality, business, or entity which bears any identified disproportionate material impact which
75 would not be experienced by other localities, businesses, or entities. The analysis shall represent the
76 Department's best estimate for the purposes of public review and comment on the proposed regulation.
77 The accuracy of the estimate shall in no way affect the validity of the regulation, nor shall any failure to
78 comply with or otherwise follow the procedures set forth in this subsection create any cause of action or
79 provide standing for any person under Article 4 (§ 9-6.14:15 et seq.) of this ~~Chapter~~ *chapter* or
80 otherwise to challenge the actions of the Department hereunder or the action of the agency in adopting
81 the proposed regulation.

82 H. Before promulgating any regulation under consideration, the agency shall deliver a copy of that
83 regulation to the Registrar together with a summary of the regulation and a separate and concise
84 statement of (i) the basis of the regulation, defined as the statutory authority for promulgating the
85 regulation, including an identification of the section number and a brief statement relating the content of
86 the statutory authority to the specific regulation proposed; (ii) the purpose of the regulation, defined as
87 the rationale or justification for the new provisions of the regulation, from the standpoint of the public's
88 health, safety or welfare; (iii) the substance of the regulation, defined as the identification and
89 explanation of the key provisions of the regulation that make changes to the current status of the law;
90 (iv) the issues of the regulation, defined as the primary advantages and disadvantages for the public, and
91 as applicable for the agency or the state, of implementing the new regulatory provisions; and (v) the
92 agency's response to the economic impact analysis submitted by the Department of Planning and Budget
93 pursuant to subsection G. Any economic impact estimate included in the agency's response shall
94 represent the agency's best estimate for the purposes of public review and comment, but the accuracy of
95 the estimate shall in no way affect the validity of the regulation. Staff as designated by the Code
96 Commission shall review proposed regulation submission packages to ensure the requirements of this
97 subsection are met prior to publication of the proposed regulation in the Register. The summary and the
98 statement of the basis, purpose, substance, issues, estimated impact and identity of any localities affected
99 shall be published in the Virginia Register of Regulations, together with the notice of opportunity for
100 oral or written submittals on the proposed regulation. ~~However, only the summary shall be printed in the~~
101 ~~newspapers unless the agency requests publication of the statement of basis, purpose, substance, issues,~~
102 ~~estimated impact and identity of any localities particularly affected.~~ As used in this section, the term
103 "locality particularly affected" means any locality which bears any identified disproportionate material
104 impact which would not be experienced by other localities.

105 I. When an agency formulating regulations in public assistance programs cannot comply with the
106 public comment requirements of subsection F of this section due to time limitations imposed by state or
107 federal laws or regulations for the adoption of such regulation, the Secretary of Health and Human
108 Resources may shorten the time requirements of subsection F. If, in the Secretary's sole discretion, such
109 time limitations reasonably preclude any advance published notice, he may waive the requirements of
110 subsection F. However, the agency shall, as soon as practicable after the adoption of the regulation in a
111 manner consistent with the requirements of subsection F, publish notice of the promulgation of the
112 regulation and afford an opportunity for public comment. The precise factual basis for the Secretary's
113 determination shall be stated in the published notice.

114 J. For the purpose of this article, public assistance programs shall consist of those specified in
115 § 63.1-87.

116 K. If one or more changes with substantial impact are made to a proposed regulation from the time
117 that it is published as a proposed regulation to the time it is published as a final regulation, any person
118 may petition the agency within thirty days from the publication of the final regulation to request an
119 opportunity for oral and written submittals on the changes to the regulation. If the agency receives
120 requests from at least twenty-five persons for an opportunity to submit oral and written comments on the
121 changes to the regulation, the agency shall suspend the regulatory process for thirty days to solicit

122 additional public comment, unless the agency determines that the changes made are minor or
123 inconsequential in their impact. Agency denial of petitions for a comment period on changes to the
124 regulation shall be subject to judicial review.

125 L. In no event shall the failure to comply with the requirements of subsection F of this section be
126 deemed mere harmless error for the purposes of § 9-6.14:17.

127 M. This section shall not apply to the issuance by the ~~Department of~~ *State* Air Pollution Control
128 *Board* of variances to its regulations.