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SENATE BILL NO. 207

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on General Laws and Technology
on January 25, 2016)

(Patron Prior to Substitute—Senator Edwards)

A BILL to amend and reenact § 2.2-4020 of the Code of Virginia and to amend the Code of Virginia by adding in Article 3 of Chapter 40 of Title 2.2 a section numbered 2.2-4023.1, relating to the Administrative Process Act; reconsideration of formal hearings.

Be it enacted by the General Assembly of Virginia:

1. That § 2.2-4020 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding in Article 3 of Chapter 40 of Title 2.2 a section numbered 2.2-4023.1 as follows:

§ 2.2-4020. Formal hearings; litigated issues.

A. The agency shall afford opportunity for the formal taking of evidence upon relevant fact issues in any case in which the basic laws provide expressly for decisions upon or after hearing and may do so in any case to the extent that informal procedures under § 2.2-4019 have not been had or have failed to dispose of a case by consent.

B. Parties to formal proceedings shall be given reasonable notice of the (i) time, place, and nature thereof, (ii) basic law under which the agency contemplates its possible exercise of authority, and (iii) matters of fact and law asserted or questioned by the agency. Applicants for licenses, rights, benefits, or renewals thereof have the burden of approaching the agency concerned without such prior notice but they shall be similarly informed thereafter in the further course of the proceedings whether pursuant to this section or to § 2.2-4019.

C. In all such formal proceedings the parties shall be entitled to be accompanied by and represented by counsel, to submit oral and documentary evidence and rebuttal proofs, to conduct such cross-examination as may elicit a full and fair disclosure of the facts, and to have the proceedings completed and a decision made with dispatch. The burden of proof shall be upon the proponent or applicant. The presiding officers at the proceedings may (i) administer oaths and affirmations, (ii) receive probative evidence, exclude irrelevant, immaterial, insubstantial, privileged, or repetitive proofs, rebuttal, or cross-examination, rule upon offers of proof, and oversee a verbatim recording of the evidence, (iii) hold conferences for the settlement or simplification of issues by consent, (iv) dispose of procedural requests, and (v) regulate and expedite the course of the hearing. Where a hearing officer presides, or where a subordinate designated for that purpose presides in hearings specified in subsection F of § 2.2-4024, he shall recommend findings and a decision unless the agency shall by its procedural regulations provide for the making of findings and an initial decision by the presiding officers subject to review and reconsideration by the agency on appeal to it as of right or on its own motion. The agency shall give deference to findings by the presiding officer explicitly based on the demeanor of witnesses.

D. Prior to the recommendations or decisions of subordinates, the parties concerned shall be given opportunity, on request, to submit in writing for the record (i) proposed findings and conclusions and (ii) statements of reasons therefor. In all cases, on request, opportunity shall be afforded for oral argument ~~(i)~~ (a) to hearing officers or subordinate presiding officers, as the case may be, in all cases in which they make such recommendations or decisions or ~~(ii)~~ (b) to the agency in cases in which it makes the original decision without such prior recommendation and otherwise as it may permit in its discretion or provide by general rule. Where hearing officers or subordinate presiding officers, as the case may be, make recommendations ~~or decisions~~, the agency shall receive and act on exceptions thereto.

E. All decisions or recommended decisions shall be served upon the parties, become a part of the record, and briefly state or recommend the findings, conclusions, reasons, or basis therefor upon the evidence presented by the record and relevant to the basic law under which the agency is operating together with the appropriate order, license, grant of benefits, sanction, relief, or denial thereof.

§ 2.2-4023.1. Reconsideration.

A. A party may file a petition for reconsideration of an agency's final decision made pursuant to § 2.2-4020. The petition shall be filed with the agency not later than 15 days after service of the final decision and shall state the specific grounds on which relief is requested. The petition shall contain a full and clear statement of the facts pertaining to the reasons for reconsideration, the grounds in support thereof, and a statement of the relief desired. A timely filed petition for reconsideration shall not suspend the execution of the agency decision nor toll the time for filing a notice of appeal under Rule 2A:2 of the Rules of Supreme Court of Virginia, unless the agency provides for suspension of its decision when it grants a petition for reconsideration. The failure to file a petition for reconsideration shall not constitute a failure to exhaust all administrative remedies.

60 B. The agency shall render a written decision on a party's timely petition for reconsideration within
61 30 days from receipt of the petition for reconsideration. Such decision shall (i) deny the petition, (ii)
62 modify the case decision, or (iii) vacate the case decision and set a new hearing for further proceedings.
63 The agency shall state the reasons for its action.

64 C. If reconsideration is sought for the decision of a policy-making board of an agency, such board
65 may (i) consider the petition for reconsideration at its next regularly scheduled meeting; (ii) schedule a
66 special meeting to consider and decide upon the petition within 30 days of receipt; or (iii)
67 notwithstanding any other provision of law, delegate authority to consider the petition to either the
68 board chairman, a subcommittee of the board, or the director of the agency that provides administrative
69 support to the board, in which case a decision on the reconsideration shall be rendered within 30 days
70 of receipt of the petition by the board.

71 D. Denial of a petition for reconsideration shall not constitute a separate case decision and shall not
72 on its own merits be subject to judicial review. It may, however, be considered by a reviewing court as
73 part of any judicial review of the case decision itself.

74 E. The agency may reconsider its final decision on its own initiative for good cause within 30 days
75 of the date of the final decision. An agency may develop procedures for reconsideration of its final
76 decisions on its own initiative.

77 F. Notwithstanding the provisions of this section, any agency that has statutory authority for
78 reconsideration in its basic law may respond to requests in accordance with such law.