

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003**

S

D

SENATE DRS65388-ROz-9A* (5/3)

Short Title: APA Technical/Clarifying Changes. (Public)

Sponsors: Senator Nesbitt.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO MAKE TECHNICAL AND CLARIFYING CHANGES TO THE
ADMINISTRATIVE PROCEDURE ACT.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 150B-21.1 reads as rewritten:

"§ 150B-21.1. Procedure for adopting a temporary rule.

(a) Adoption. – An agency may adopt a temporary rule when it finds that adherence to the notice and hearing requirements of G.S. 150B-21.2 would be contrary to the public interest and that the immediate adoption of the rule is required by one or more of the following:

- (1) A serious and unforeseen threat to the public health, safety, or welfare.
- (2) The effective date of a recent act of the General Assembly or the United States Congress.
- (3) A recent change in federal or State budgetary policy.
- (4) A recent federal regulation.
- (5) A recent court order.
- (6) The need for the rule to implement or be made consistent with the State Medical Facilities Plan approved by the Governor, if the rule addresses a matter included in the State Medical Facilities Plan.
- (7) The need for the Wildlife Resources Commission to establish any of the following:
 - a. No wake zones.
 - b. Hunting or fishing seasons.
 - c. Hunting or fishing bag limits.
 - d. Management of public game lands as defined in G.S. 113-129(8a).

- 1 (8) The need for the Secretary of State to implement the certification
2 technology provisions of Article 11A of Chapter 66 of the General
3 Statutes, to adopt uniform Statements of Policy that have been
4 officially adopted by the North American Securities Administrators
5 Association, Inc., for the purpose of promoting uniformity of state
6 securities regulation, and to adopt rules governing the conduct of
7 hearings pursuant to this Chapter.
- 8 (9) The need for the Commissioner of Insurance to implement the
9 provisions of G.S. 58-2-205.
- 10 (10) The need for the Chief Information Officer to implement the
11 information technology procurement provisions of Article 3D of
12 Chapter 147 of the General Statutes.
- 13 (11) The need for the State Board of Elections to adopt a temporary rule
14 after prior notice or hearing or upon any abbreviated notice or hearing
15 the agency finds practical for one or more of the following:
16 a. In accordance with the provisions of G.S. 163-22.2.
17 b. To implement any provisions of state or federal law for which
18 the State Board of Elections has been authorized to adopt rules.
19 c. The need for the rule to become effective immediately in order
20 to preserve the integrity of upcoming elections and the elections
21 process.
- 22 (12) The need for an agency to adopt a temporary rule to implement the
23 provisions of any of the following acts until all rules necessary to
24 implement the provisions of the act have become effective as either
25 temporary or permanent rules:
26 a. Repealed by Session Laws 2000-148, s. 5, effective July 1,
27 2002.
28 b. Repealed by Session Laws 2000-69, s. 5, effective July 1, 2003.
- 29 (13) (14) Reserved.
- 30 (15) The need for the Department of Health and Human Services to adopt
31 temporary rules concerning the placement of individuals in facilities
32 licensed under Article 2 of Chapter 122C of the General Statutes and
33 the enrollment of providers of services to such individuals in the
34 Medicaid program.
- 35 ~~(a1) (16) (Expires July 1, 2005) Notwithstanding the provisions of~~
36 ~~subsection (a) of this section, The need for the Department of~~
37 ~~Transportation may to adopt temporary rules concerning logo signs~~
38 ~~pursuant to G.S. 136-89.56. After having the proposed temporary rule~~
39 ~~published in the North Carolina Register and at least 30 days prior to~~
40 ~~adopting a temporary rule pursuant to this subsection, the Department~~
41 ~~shall:~~
- 42 ~~(1) Notify persons on its mailing list maintained pursuant to~~
43 ~~G.S. 150B-21.2(d) and any other interested parties of its intent to adopt~~
44 ~~a temporary rule.~~

1 ~~(2) Accept oral and written comments on the proposed temporary rule.~~

2 ~~(3) Hold at least one public hearing on the proposed temporary rule.~~

3 ~~When the Department adopts a temporary rule pursuant to this subsection, the~~
4 ~~Department shall submit a reference to this subsection as the Department's statement of~~
5 ~~need to the Codifier of Rules.~~

6 ~~Notwithstanding any other provision of this Chapter, the Codifier of Rules shall~~
7 ~~publish in the North Carolina Register a proposed temporary rule received from the~~
8 ~~Department in accordance with this subsection.~~

9 ~~(a2)~~ (a1) A recent act, change, regulation, or order as used in subdivisions (2)
10 through (5) of subsection (a) of this section means an act, change, regulation, or order
11 occurring or made effective no more than 210 days prior to the submission of a
12 temporary rule to the Rules Review Commission. Upon written request of the agency,
13 the Commission may waive the 210-day requirement upon consideration of the degree
14 of public benefit, whether the agency had control over the circumstances that required
15 the requested waiver, notice to and opposition by the public, the need for the waiver,
16 and previous requests for waivers submitted by the agency.

17 ~~(a3)~~ (a2) Unless otherwise provided by law, at least 30 business days prior to
18 adopting a temporary rule, the agency shall:

19 (1) Submit the rule and a notice of public hearing to the Codifier of Rules,
20 and the Codifier of Rules shall publish the proposed temporary rule
21 and the notice of public hearing on the Internet to be posted within five
22 business days.

23 (2) Notify persons on the mailing list maintained pursuant to
24 G.S. 150B-21.2(d) and any other interested parties of its intent to adopt
25 a temporary rule and of the public hearing.

26 (3) Accept written comments on the proposed temporary rule for at least
27 15 business days prior to adoption of the temporary rule.

28 (4) Hold at least one public hearing on the proposed temporary rule no
29 less than five days after the rule and notice have been published.

30 (a3) An agency must also prepare a written statement of its findings of need for a
31 temporary rule stating why adherence to the notice and hearing requirements in
32 G.S. 150B-21.2 would be contrary to the public interest and why the immediate
33 adoption of the rule is required. If the temporary rule establishes a new fee or increases
34 an existing fee, the agency shall include in the written statement that it has complied
35 with the requirements of G.S. 12-3.1. The statement must be signed by the head of the
36 agency adopting the temporary rule.

37 (b) Review. – When an agency adopts a temporary rule it must submit the rule
38 and the agency's written statement of its findings of the need for the rule to the Rules
39 Review Commission. Within 15 business days after receiving the proposed temporary
40 rule, the Commission shall review the agency's written statement of findings of need for
41 the rule and the rule to determine whether the statement meets the criteria listed in
42 subsection (a) of this section and the rule meets the standards in G.S. 150B-21.9. The
43 Commission shall direct a member of its staff who is an attorney licensed to practice
44 law in North Carolina to review the statement of findings of need and the rule. The staff

1 member shall make a recommendation to the Commission, which must be approved by
2 the Commission or its designee. The Commission's designee shall be a panel of at least
3 three members of the Commission. In reviewing the statement, the Commission or its
4 designee may consider any information submitted by the agency or another person. If
5 the Commission or its designee finds that the statement meets the criteria listed in
6 subsection (a) of this section and the rule meets the standards in G.S. 150B-21.9, the
7 Commission or its designee must approve the temporary rule and deliver the rule to the
8 Codifier of Rules within two business days of approval. The Codifier of Rules must
9 enter the rule into the North Carolina Administrative Code on the sixth business day
10 following receipt from the Commission or its designee.

11 (b1) If the Commission or its designee finds that the statement does not meet the
12 criteria listed in subsection (a) of this section or that the rule does not meet the standards
13 in G.S. 150B-21.9, the Commission or its designee must immediately notify the head of
14 the agency. The agency may supplement its statement of need with additional findings
15 or submit a new statement. If the agency provides additional findings or submits a new
16 statement, the Commission or its designee must review the additional findings or new
17 statement within five business days after the agency submits the additional findings or
18 new statement. If the Commission or its designee again finds that the statement does not
19 meet the criteria listed in subsection (a) of this section or that the rule does not meet the
20 standards in G.S. 150B-21.9, the Commission or its designee must immediately notify
21 the head of the agency and return the rule to the agency.

22 (b2) If an agency decides not to provide additional findings or submit a new
23 statement when notified by the Commission or its designee that the agency's findings of
24 need for a rule do not meet the required criteria or that the rule does not meet the
25 required standards, the agency must notify the Commission or its designee of its
26 decision. The Commission or its designee shall then return the rule to the agency. When
27 the Commission returns a rule to an agency in accordance with this subsection, the
28 agency may file an action for declaratory judgment in Wake County Superior Court
29 pursuant to Article 26 of Chapter 1 of the General Statutes.

30 (b3) Notwithstanding any other provision of this subsection, if the agency has not
31 complied with the provisions of G.S. 12-3.1, the Codifier of Rules shall not enter the
32 rule into the Code.

33 (c) Standing. – A person aggrieved by a temporary rule adopted by an agency
34 may file an action for declaratory judgment in Wake County Superior Court pursuant to
35 Article 26 of Chapter 1 of the General Statutes. In the action, the court shall determine
36 whether the agency's written statement of findings of need for the rule meets the criteria
37 listed in subsection (a) of this section and whether the rule meets the standards in
38 G.S. 150B-21.9. The court shall not grant an ex parte temporary restraining order.

39 (c1) Filing a petition for rule making or a request for a declaratory ruling with the
40 agency that adopted the rule is not a prerequisite to filing an action under this
41 subsection. A person who files an action for declaratory judgment under this subsection
42 must serve a copy of the complaint on the agency that adopted the rule being contested,
43 the Codifier of Rules, and the Commission.

1 (d) Effective Date and Expiration. – A temporary rule becomes effective on the
2 date specified in G.S. 150B-21.3. A temporary rule expires on the earliest of the
3 following dates:

4 (1) The date specified in the rule.

5 (2) The effective date of the permanent rule adopted to replace the
6 temporary rule, if the Commission approves the permanent rule.

7 (3) The date the Commission returns to an agency a permanent rule the
8 agency adopted to replace the temporary rule.

9 (4) The effective date of an act of the General Assembly that specifically
10 disapproves a permanent rule adopted to replace the temporary rule.

11 (5) 270 days from the date the temporary rule was published in the North
12 Carolina Register, unless the permanent rule adopted to replace the
13 temporary rule has been submitted to the Commission.

14 (e) Publication. – When the Codifier of Rules enters a temporary rule in the
15 North Carolina Administrative Code, the Codifier must publish the rule in the North
16 Carolina Register."

17 **SECTION 2.** G.S. 150B-21.3(b2) reads as rewritten:

18 "(b2) Objection. – Any person who objects to the adoption of a permanent rule may
19 submit written comments to the agency. If the objection is not resolved prior to adoption
20 of the rule, a person may submit written objections to the Commission. If the
21 Commission receives written objections from 10 or more ~~persons~~ persons, on or before
22 the date it reviews the rule, clearly requesting review by the legislature in accordance
23 with instructions contained in the notice pursuant to G.S. 150B-21.2(c)(9), and the
24 Commission approves the rule, the rule will become effective as provided in subsection
25 (b1) of this section. When the requirements of this subsection have been met and a rule
26 is subject to legislative disapproval, the agency may adopt the rule as a temporary rule if
27 the rule would have met the criteria listed in G.S. 150B-21.1(a) at the time the notice of
28 text for the permanent rule was published in the North Carolina Register."

29 **SECTION 3.** This act is effective when it becomes law.