

Senate Bill 361

By: Senators Tolleson of the 18th, Cagle of the 49th, Mullis of the 53rd, Hamrick of the 30th, Price of the 56th and others

AS PASSED SENATE

**A BILL TO BE ENTITLED
AN ACT**

1 To be known as the "Regulatory Reform Act of 2003"; to provide for a short title, findings,
2 and a statement of purpose; to amend Code Section 31-6-21.1 of the Official Code of
3 Georgia Annotated, relating to procedures for rule making by the Department of Community
4 Health, so as to correct a cross-reference; to amend Chapter 13 of Title 50 of the Official
5 Code of Georgia Annotated, known as the "Georgia Administrative Procedure Act," so as
6 to provide requirements relative to the formulation, drafting, and adoption of rules or
7 amendments to existing rules; to provide a definition; to provide for advisory committees;
8 to provide for cost-benefit analyses and risk assessments; to provide for public records; to
9 provide for notices and the contents thereof; to provide for reduction of the economic impact
10 of rules and amendments on small businesses and citizens; to provide for and change certain
11 existing procedures relating to the review of proposed rules by committees of the General
12 Assembly and the procedures connected therewith; to provide for hearings and reports; to
13 provide for the periodic review of rules; to provide for additional duties of agencies; to
14 provide for other matters relative to the foregoing; to repeal conflicting laws; and for other
15 purposes.

16 **BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:**

17 **SECTION 1.**

18 This Act shall be known and may be cited as the "Regulatory Reform Act of 2003."

19 **SECTION 2.**

20 The General Assembly of Georgia finds that real opportunity is created by free enterprise,
21 not government. Unnecessary government regulations can smother the flame of small
22 business and creativity. In fact, government regulation can be the biggest threat to the
23 survival of small business. Every Georgia family pays thousands of dollars to comply with
24 federal and state regulations. These regulations cost businesses by reducing profits, lowering
25 salaries, and increasing costs to consumers. The cost of regulations is more than a hidden

1 tax on consumers; regulations also cost jobs. It is the purpose of this Act to limit the future
 2 ability of agencies to write and implement regulations that stifle business and cost consumers
 3 without affecting their ability to protect the health and safety of Georgians.

4 **SECTION 3.**

5 Code Section 31-6-21.1 of the Official Code of Georgia Annotated, relating to procedures
 6 for rule making by the Department of Community Health, is amended by striking subsection
 7 (b) of said Code section and inserting in its place the following:

8 "(b) The department shall transmit three copies of the notice provided for in ~~paragraph (1)~~
 9 ~~of subsection (a)~~ subsection (b) of Code Section 50-13-4 to the legislative counsel. The
 10 copies shall be transmitted at least 30 days prior to that department's intended action.
 11 Within five days after receipt of the copies, if possible, the legislative counsel shall furnish
 12 the presiding officer of each house with a copy of the notice and mail a copy of the notice
 13 to each member of the Health and Human Services Committee of the Senate and each
 14 member of the Health and Ecology Committee of the House of Representatives. Each such
 15 rule and any part thereof shall be subject to the making of an objection by either such
 16 committee. Any rule or part thereof to which no objection is made by both such
 17 committees may become adopted by the department at the end of such 30 day period. The
 18 department may not adopt any such rule or part thereof which has been changed since
 19 having been submitted to those committees unless:

- 20 (1) That change is to correct only typographical errors;
 21 (2) That change is approved in writing by both committees and that approval expressly
 22 exempts that change from being subject to the public notice and hearing requirements of
 23 subsection ~~(a)~~ (b) of Code Section 50-13-4;
 24 (3) That change is approved in writing by both committees and is again subject to the
 25 public notice and hearing requirements of subsection ~~(a)~~ (b) of Code Section 50-13-4; or
 26 (4) That change is again subject to the public notice and hearing requirements of
 27 subsection ~~(a)~~ (b) of Code Section 50-13-4 and the change is submitted and again subject
 28 to committee objection as provided in this subsection.

29 Nothing in this subsection shall prohibit the department from adopting any rule or part
 30 thereof without adopting all of the rules submitted to the committees if the rule or part so
 31 adopted has not been changed since having been submitted to the committees and objection
 32 thereto was not made by both committees."

33 **SECTION 4.**

34 Chapter 13 of Title 50 of the Official Code of Georgia Annotated, known as the "Georgia
 35 Administrative Procedure Act," is amended by striking Code Section 50-13-4, relating to

1 procedural requirements for adoption, amendment, or repeal of rules, emergency rules,
2 limitations on actions to contest rules, and legislative override of rules, and inserting in lieu
3 thereof a new Code Section 50-13-4 to read as follows:

4 "50-13-4.

5 ~~(a) Prior to the adoption, amendment, or repeal of any rule, other than interpretive rules
6 or general statements of policy, the agency shall:~~

7 ~~(1) Give at least 30 days' notice of its intended action. The notice shall include an exact
8 copy of the proposed rule and a synopsis of the proposed rule. The synopsis shall be
9 distributed with and in the same manner as the proposed rule. The synopsis shall contain
10 a statement of the purpose and the main features of the proposed rule, and, in the case of
11 a proposed amendatory rule, the synopsis also shall indicate the differences between the
12 existing rule and the proposed rule. The notice shall also include the exact date on which
13 the agency shall consider the adoption of the rule and shall include the time and place in
14 order that interested persons may present their views thereon. The notice shall also
15 contain a citation of the authority pursuant to which the rule is proposed for adoption and,
16 if the proposal is an amendment or repeal of an existing rule, the rule shall be clearly
17 identified. The notice shall be mailed to all persons who have requested in writing that
18 they be placed upon a mailing list which shall be maintained by the agency for advance
19 notice of its rule-making proceedings and who have tendered the actual cost of such
20 mailing as from time to time estimated by the agency;~~

21 ~~(2) Afford to all interested persons reasonable opportunity to submit data, views, or
22 arguments, orally or in writing. In the case of substantive rules, opportunity for oral
23 hearing must be granted if requested by 25 persons who will be directly affected by the
24 proposed rule, by a governmental subdivision, or by an association having not less than
25 25 members. The agency shall consider fully all written and oral submissions respecting
26 the proposed rule. Upon adoption of a rule, the agency, if requested to do so by an
27 interested person either prior to adoption or within 30 days thereafter, shall issue a
28 concise statement of the principal reasons for and against its adoption and incorporate
29 therein its reason for overruling the consideration urged against its adoption;~~

30 ~~(3) In the formulation and adoption of any rule which will have an economic impact on
31 businesses in the state, reduce the economic impact of the rule on small businesses which
32 are independently owned and operated, are not dominant in their field, and employ 100
33 employees or less by implementing one or more of the following actions when it is legal
34 and feasible in meeting the stated objectives of the statutes which are the basis of the
35 proposed rule:~~

36 ~~(A) Establish differing compliance or reporting requirements or timetables for small
37 businesses;~~

1 ~~(B) Clarify, consolidate, or simplify the compliance and reporting requirements under~~
2 ~~the rule for small businesses;~~

3 ~~(C) Establish performance rather than design standards for small businesses, or~~

4 ~~(D) Exempt small businesses from any or all requirements of the rules; and~~

5 ~~(4) In the formulation and adoption of any rule, an agency shall choose an alternative~~
6 ~~that does not impose excessive regulatory costs on any regulated person or entity which~~
7 ~~costs could be reduced by a less expensive alternative that fully accomplishes the stated~~
8 ~~objectives of the statutes which are the basis of the proposed rule.~~

9 ~~(b) If any agency finds that an imminent peril to the public health, safety, or welfare,~~
10 ~~including but not limited to, summary processes such as quarantines, contrabands, seizures,~~
11 ~~and the like authorized by law without notice, requires adoption of a rule upon fewer than~~
12 ~~30 days' notice and states in writing its reasons for that finding, it may proceed without~~
13 ~~prior notice or hearing or upon any abbreviated notice and hearing that it finds practicable~~
14 ~~to adopt an emergency rule. Any such rule adopted relative to a public health emergency~~
15 ~~shall be submitted as promptly as reasonably practicable to the House of Representatives~~
16 ~~and Senate Committees on Judiciary. The rule may be effective for a period of not longer~~
17 ~~than 120 days but the adoption of an identical rule under paragraphs (1) and (2) of~~
18 ~~subsection (a) of this Code section is not precluded; provided, however, that such a rule~~
19 ~~adopted pursuant to discharge of responsibility under an executive order declaring a state~~
20 ~~of emergency or disaster exists as a result of a public health emergency, as defined in Code~~
21 ~~Section 38-3-3, shall be effective for the duration of the emergency or disaster and for a~~
22 ~~period of not more than 120 days thereafter.~~

23 ~~(c) It is the intent of this Code section to establish basic minimum procedural requirements~~
24 ~~for the adoption, amendment, or repeal of administrative rules. Except for emergency rules~~
25 ~~which are provided for in subsection (b) of this Code section, the provisions of this Code~~
26 ~~section are applicable to the exercise of any rule-making authority conferred by any statute,~~
27 ~~but nothing in this Code section repeals or diminishes additional requirements imposed by~~
28 ~~law or diminishes or repeals any summary power granted by law to the state or any agency~~
29 ~~thereof.~~

30 ~~(d) No rule adopted after April 3, 1978, shall be valid unless adopted in exact compliance~~
31 ~~with subsections (a) and (e) of this Code section and in substantial compliance with the~~
32 ~~remainder of this Code section. A proceeding to contest any rule on the ground of~~
33 ~~noncompliance with the procedural requirements of this Code section must be commenced~~
34 ~~within two years from the effective date of the rule.~~

35 ~~(e) The agency shall transmit the notice provided for in paragraph (1) of subsection (a) of~~
36 ~~this Code section to the legislative counsel. The notice shall be transmitted at least 30 days~~
37 ~~prior to the date of the agency's intended action. Within three days after receipt of the~~

1 notice, if possible, the legislative counsel shall furnish the presiding officers of each house
2 with a copy of the notice, and the presiding officers shall assign the notice to the
3 chairperson of the appropriate standing committee in each house for review and any
4 member thereof who makes a standing written request. In the event a presiding officer is
5 unavailable for the purpose of making the assignment within the time limitations, the
6 legislative counsel shall assign the notice to the chairperson of the appropriate standing
7 committee. The legislative counsel shall also transmit within the time limitations provided
8 in this subsection a notice of the assignment to the chairperson of the appropriate standing
9 committee. Each standing committee of the Senate and the House of Representatives is
10 granted all the rights provided for interested persons and governmental subdivisions in
11 paragraph (2) of subsection (a) of this Code section.

12 (f) In the event a standing committee to which a notice is assigned as provided in
13 subsection (e) of this Code section files an objection to a proposed rule prior to its adoption
14 and the agency adopts the proposed rule over the objection, the rule may be considered by
15 the branch of the General Assembly whose committee objected to its adoption by the
16 introduction of a resolution for the purpose of overriding the rule at any time within the
17 first 30 days of the next regular session of the General Assembly. It shall be the duty of any
18 agency which adopts a proposed rule over such objection so to notify the presiding officers
19 of the Senate and the House of Representatives, the chairmen of the Senate and House
20 committees to which the rule was referred, and the legislative counsel within ten days after
21 the adoption of the rule. In the event the resolution is adopted by such branch of the
22 General Assembly, it shall be immediately transmitted to the other branch of the General
23 Assembly. It shall be the duty of the presiding officer of the other branch of the General
24 Assembly to have such branch, within five days after the receipt of the resolution, to
25 consider the resolution for the purpose of overriding the rule. In the event the resolution is
26 adopted by two-thirds of the votes of each branch of the General Assembly, the rule shall
27 be void on the day after the adoption of the resolution by the second branch of the General
28 Assembly. In the event the resolution is ratified by less than two-thirds of the votes of
29 either branch, the resolution shall be submitted to the Governor for his approval or veto.
30 In the event of his veto, the rule shall remain in effect. In the event of his approval, the rule
31 shall be void on the day after the date of his approval.

32 (g)(1) Subsection (f) of this Code section shall not apply to the Environmental Protection
33 Division of the Department of Natural Resources, but paragraph (2) of this subsection
34 shall apply to the Environmental Protection Division of the Department of Natural
35 Resources.

36 (2) In the event the chairman of any standing committee to which a proposed rule
37 relative to the Environmental Protection Division of the Department of Natural Resources

1 is assigned notifies the agency that the committee objects to the adoption of the rule or
 2 has questions concerning the purpose, nature, or necessity of the rule, it shall be the duty
 3 of the agency to consult with the committee prior to the adoption of the rule.

4 (h) ~~The provisions of subsections (e) and (f) of this Code section shall apply to any rule~~
 5 ~~of the Department of Human Resources that is promulgated pursuant to Code Section~~
 6 ~~31-2-7 or 31-45-10, except that the presiding officer of the Senate is directed to assign the~~
 7 ~~notice of such a rule to the chairperson of the Senate Defense, Science and Technology~~
 8 ~~Committee and the presiding officer of the House of Representatives is directed to assign~~
 9 ~~the notice of such a rule to the chairperson of the House Committee on Industry. As used~~
 10 ~~in this subsection, the term 'rule' shall have the same meaning as provided in paragraph (6)~~
 11 ~~of Code Section 50-13-2 and shall include interpretive rules and general statements of~~
 12 ~~policy, notwithstanding any provision of subsection (a) of this Code section to the contrary.~~

13 (a) As used in this Code section, the term:

14 (1) 'Cost-benefit analysis' shall include the following:

15 (A) An identification and estimate of the number of small businesses subject to the
 16 proposed rule;

17 (B) The projected reporting, record keeping, and other administrative costs required
 18 for compliance with the proposed rule, including the type of professional skills
 19 necessary for preparation of the report or record;

20 (C) A statement of the probable effect on impacted small businesses;

21 (D) A description of less intrusive or less costly alternative methods of achieving the
 22 purpose of the proposed rule; and

23 (E) An examination of any appropriate scientific research concerning the risk or
 24 condition that the rule or amendment is designed to abate or control.

25 (2) 'Small business' means a business that is independently owned and operated and
 26 employs 50 employees or less or has gross annual sales of less than \$4 million dollars.

27 (3) 'Substantive rules' or 'substantive amendments' mean those rules or amendments that
 28 affect the health, safety, or welfare of the public, but shall not include rules or
 29 amendments that merely restate statutes or that provide internal procedures for the
 30 administration of the agency.

31 (b)(1) Prior to the adoption, amendment, or repeal of any rule, other than interpretive rules
 32 or general statements of policy, the agency shall give at least 30 days' notice of its intended
 33 action.

34 (2) Such notice shall include:

35 (A) An exact copy of the proposed rule;

36 (B) The cost-benefit analysis of the rule if such analysis is required under
 37 subsection (d) of this Code section;

1 (C) A synopsis of the proposed rule which contains a statement of the purpose and the
2 main features of the proposed rule and, in the case of an amendatory rule, the synopsis
3 shall indicate the differences between the existing rule and the proposed rule;

4 (D) The exact date on which the agency shall consider the adoption of the rule and shall
5 include the time and place in order that interested persons may present their views
6 thereon; and

7 (E) A citation of the authority pursuant to which the rule is proposed for adoption and,
8 if the proposal is an amendment or repeal of an existing rule, the rule shall be clearly
9 identified.

10 (3) The notice shall be mailed to all persons and organizations that have requested in
11 writing that they be placed upon a mailing list that shall be maintained by the agency for
12 advance notice of its rule-making proceedings and who have tendered the actual cost of
13 such mailing as from time to time estimated by the agency.

14 (4) At the time that the notice is mailed, a copy of the notice and synopsis, including the
15 cost-benefit analysis, if required, shall be posted on the Internet and made available by
16 the agency for electronic access and downloading at no cost to any citizen seeking
17 electronic access to such information.

18 (5) The agency shall afford to all interested persons reasonable opportunity to submit
19 data, views, or arguments, orally or in writing. The agency shall consider fully all written
20 and oral submissions concerning the proposed rule. In the case of substantive rules,
21 opportunity for oral hearing must be granted if requested by 25 persons who will be
22 affected by the proposed rule, by a governmental subdivision, by a standing committee
23 of the General Assembly to which the proposed rule is referred, or by an association
24 having not less than 25 members. Upon adoption of a rule, the agency, if requested to do
25 so by an interested person either prior to adoption or within 30 days thereafter, shall issue
26 a concise statement of the principal reasons for and against its adoption and incorporate
27 therein its reason for overruling the consideration urged against its adoption.

28 (c)(1) The agency shall transmit the notice provided for in subsection (b) of this Code
29 section to the legislative counsel. The notice shall be transmitted at least 30 days prior
30 to the date of the agency's intended action. Within three days after receipt of the notice,
31 if possible, the legislative counsel shall furnish the presiding officers of each house with
32 a copy of the notice and the presiding officers shall assign the notice for review to the
33 chairperson of the appropriate standing committee in each house and any member thereof
34 who makes a standing written request. In the event a presiding officer is unavailable for
35 the purpose of making the assignment within the time limitations, the legislative counsel
36 shall assign the notice to the chairperson of the appropriate standing committee. The
37 legislative counsel shall also transmit within the time limitations provided in this

1 subsection a notice of the assignment to the chairperson of the appropriate standing
2 committee. Each standing committee of the Senate and the House of Representatives to
3 which a proposed rule is assigned pursuant to this subsection and each member of such
4 standing committee are granted all rights provided for interested persons and
5 governmental subdivisions in paragraph (5) of subsection (b) of this Code section.

6 (2) In the event that a standing committee to which a notice is assigned as provided in
7 paragraph (1) of this subsection files an objection to a proposed rule prior to its adoption,
8 it shall be the duty of the chairperson of such standing committee to conduct a meeting
9 of such committee within 20 days of the date such objection is filed for the purpose of
10 receiving the comments of the public and the agency concerning the legality of, the
11 necessity for, the impact of, and the appropriateness of such proposed rule. It shall be the
12 duty of the agency head or a representative thereof to attend such standing committee
13 meeting and respond to questions concerning such proposed rule. All comments and
14 testimony given at such meeting and any recommendations of the committee shall be
15 reduced to writing and a copy thereof shall be furnished to the agency and made a part
16 of the record in the proceeding for the adoption of such rule. If the committee that filed
17 the objection is then satisfied that the proposed rule is appropriate or needs some
18 alteration to make it appropriate, the committee may thereupon withdraw or modify the
19 objection, in writing, and shall file a copy of such withdrawal or modification of the
20 objection with the agency. If the objection is not withdrawn and the agency adopts the
21 proposed rule over the objections, the rule may be considered by the branch of the
22 General Assembly whose committee objected to its adoption by the introduction of a
23 resolution for the purpose of overriding the rule at any time within the first 30 days of the
24 next regular session of the General Assembly. It shall be the duty of any agency which
25 adopts a proposed rule over such objection to notify the presiding officers of the Senate
26 and the House of Representatives, the chairpersons of the Senate and House committees
27 to which the rule was referred, and the legislative counsel within ten days after the
28 adoption of the rule. In the event the resolution is adopted by one such branch of the
29 General Assembly, it shall be immediately transmitted to the other branch of the General
30 Assembly. It shall be the duty of the presiding officer of the other branch of the General
31 Assembly to have such branch, within five days after the receipt of the resolution, to
32 consider the resolution for the purpose of overriding the rule. In the event the resolution
33 is adopted by two-thirds of the votes of each branch of the General Assembly, the rule
34 shall be void on the day after the adoption of the resolution by the second branch of the
35 General Assembly. In the event the resolution is ratified by less than two-thirds of the
36 votes of either branch, the resolution shall be submitted to the Governor for his or her
37 approval or veto. In the event of his or her veto, the rule shall remain in effect. In the

1 event of his or her approval, the rule shall be void on the day after the date of his or her
2 approval.

3 (3) In the event that a proposed rule assigned to a standing committee pursuant to
4 paragraph (1) of subsection (c) of this Code section has a projected economic impact of
5 \$1 million or more on small businesses, as determined by the cost-benefit analysis, it
6 shall be the duty of the chairperson of such standing committee to conduct a meeting of
7 the committee within 20 days of the date such rule is assigned to the committee for the
8 purpose of receiving the comments of the public and the agency concerning the legality
9 of, the necessity for, the impact of, and the appropriateness of such proposed rule. It shall
10 be the duty of the agency head or a representative thereof to attend such standing
11 committee meeting and respond to questions concerning such proposed rule. All
12 comments and testimony given at such meeting and any recommendations of the
13 committee shall be reduced to writing and a copy thereof shall be furnished to the agency
14 and made a part of the record in the proceeding for the adoption of such rule.

15 (d)(1) Prior to giving the notice required by subsection (b) of this Code section, the
16 agency shall complete or compile a cost-benefit analysis of any proposed rule that may
17 have an adverse impact on small businesses. Such cost-benefit analysis shall be a public
18 record and shall be made available for public inspection and copying in the same manner
19 as other public records of the agency.

20 (2) In the promulgation and adoption of any rule, each agency shall seek alternatives that
21 will legally and feasibly meet the stated objectives of the statutes and that will be less
22 expensive to individuals and businesses, will produce more flexibility in compliance and
23 enforcements, and will provide better notice to and understanding by the affected
24 individuals and businesses of the reasons for and manner of enforcement of the rule or
25 amendment. An agency shall choose an alternative that does not impose excessive
26 regulatory costs on any regulated person or entity which costs could be reduced by a less
27 expensive alternative that fully accomplishes the stated objectives of the statutes which
28 are the basis of the proposed rule. Agencies shall consider alternatives such as the
29 following:

30 (A) Establish differing compliance or reporting requirements or timetables for small
31 businesses;

32 (B) Clarify, consolidate, or simplify the compliance and reporting requirements under
33 the rule for small businesses;

34 (C) Establish performance rather than design standards for small businesses; or

35 (D) Exempt small businesses from any or all requirements of the rules.

36 (3) During the formulation or drafting of any proposed substantive rule or substantive
37 amendment, the agency shall ensure that small businesses have been given the

1 opportunity to participate in the rulemaking process for the rule through the reasonable
2 use of techniques such as:

3 (A) The publication of a general notice of proposed rule making in publications likely
4 to be obtained by small businesses;

5 (B) Direct notification of interested small businesses;

6 (C) Open conferences or public hearings concerning the rule for small businesses,
7 including soliciting and receiving comments over computer networks;

8 (D) Appoint an advisory committee composed of representatives of people, businesses,
9 and interests that might be affected by the proposed rule; and

10 (E) Consult with a representative sampling of individuals and representatives of
11 businesses and small businesses that might be affected by the proposed rule.

12 (e)(1)(A) If any agency finds that an imminent peril to the public health, safety, or
13 welfare, including, but not limited to, summary processes such as quarantines,
14 contrabands, seizures, and the like authorized by law without notice, requires adoption
15 of a rule upon fewer than 30 days' notice and states in writing its reasons for that
16 finding, it may proceed without prior notice or hearing or upon any abbreviated notice
17 and hearing that it finds practicable to adopt an emergency rule.

18 (B) Any such rule adopted relative to a public health emergency shall be submitted as
19 promptly as reasonably practicable to the House of Representatives and Senate
20 Committees on Judiciary. The rule may be effective for a period of not longer than 120
21 days but the adoption of an identical rule under this Code section is not precluded;
22 provided, however, that such a rule adopted pursuant to discharge of responsibility
23 under an executive order declaring a state of emergency or disaster exists as a result of
24 a public health emergency, as defined in Code Section 38-3-3, shall be effective for the
25 duration of the emergency or disaster and for a period of not more than 120 days
26 thereafter.

27 (2)(A) Subsections (a) through (d) of this Code section shall not apply to
28 environmental protection programs delegated by the federal government to the
29 Environmental Protection Division of the Department of Natural Resources, but
30 paragraph (2) of this subsection shall apply to the Environmental Protection Division
31 of the Department of Natural Resources. Notwithstanding such provision, federally
32 mandated rules are subject to the federal Regulatory Flexibility Act as amended by the
33 federal Small Business Regulatory and Enforcement Fairness Act of 1996. Any
34 federally mandated rules that do not comply with these Acts shall be subject to
35 subsection (d) of this Code section. However, subsections (a) through (d) of this Code
36 section shall apply to environmental programs that are not federally delegated.

1 (B) The provisions of subsection (c) of this Code section shall apply to any rule of the
 2 Department of Human Resources that is promulgated pursuant to Code Section 31-2-7
 3 or 31-45-10, except that the presiding officer of the Senate is directed to assign the
 4 notice of such a rule to the chairperson of the Senate Science and Technology
 5 Committee and the presiding officer of the House of Representatives is directed to
 6 assign the notice of such a rule to the chairperson of the House Committee on Industrial
 7 Relations. As used in this subparagraph, the term 'rule' shall have the same meaning as
 8 provided in paragraph (6) of Code Section 50-13-2 and shall include interpretive rules
 9 and general statements of policy, notwithstanding any provision of subsection (a) of this
 10 Code section to the contrary.

11 (f)(1) No rule adopted after April 3, 1978, shall be valid unless adopted in exact
 12 compliance with subsections (b) and (c) of this Code section and in substantial
 13 compliance with the remainder of this Code section.

14 (2) A proceeding to contest any rule on the ground of noncompliance with the procedural
 15 requirements of this Code section must be commenced within two years from the
 16 effective date of the rule.

17 (3) For any rule subject to this Code section, a small business that is adversely affected
 18 or aggrieved by final agency action is entitled to judicial review of agency compliance
 19 with the requirements of this section."

20 SECTION 5.

21 Said chapter is further amended by adding a new Code Section 50-13-4.1 following Code
 22 Section 50-13-4 to read as follows:

23 "50-13-4.1.

24 (a) At least once in each four-year period, beginning with the four-year period
 25 commencing on January 1, 2003, each agency shall review all of its rules to determine
 26 whether any existing rule is no longer necessary, is obsolete, or seeks to accomplish a result
 27 that could be accomplished in a more efficient, less burdensome, or less costly manner.
 28 After conducting such review, each agency shall prepare a written report summarizing its
 29 findings, its supporting reasons, and any proposed course of action. For each rule, the
 30 report must include a concise statement of:

31 (1) The rule's effectiveness in achieving its objectives, including a summary of any
 32 available data supporting the conclusions reached;

33 (2) Criticisms of the rule received during the four-year period immediately preceding the
 34 date of the report, including a summary of any petitions or requests for waiver of or
 35 exceptions to the rule tendered to the agency or granted by the agency; and

1 (3) Alternative solutions to the criticisms and the reasons they were rejected or the
 2 changes made in the rule in response to those criticisms and the reasons for the changes.
 3 (b) A copy of the report shall be sent to the Governor, the Secretary of State, the President
 4 of the Senate, the Secretary of the Senate, the Speaker of the House of Representatives, the
 5 Clerk of the House of Representatives, and the legislative counsel. The agency, the
 6 Secretary of State, the Secretary of the Senate, and the Clerk of the House of
 7 Representatives shall make copies of the report available for public inspection and copying.
 8 (c) It shall be the duty of the President of the Senate and the Speaker of the House of
 9 Representatives to assign each such report to one or more standing committees of the
 10 Senate and House of Representatives for review and comment. The chairpersons of the
 11 committees to which any such report is assigned shall call a joint meeting or meetings of
 12 the committees to review such report and make suggestions to the agency and to the
 13 General Assembly concerning any changes in the rules or the statutes that the committees
 14 feel are appropriate."

15 **SECTION 6.**

16 Said chapter is further amended by striking paragraph (4) of subsection (a) of Code Section
 17 50-13-13, relating to opportunity for hearings in contested cases, and inserting in lieu thereof
 18 a new paragraph (4) to read as follows:

19 "(4) Unless precluded by law, informal disposition may be made of any contested case
 20 by stipulation, agreed settlement, consent order, or default. It shall be the duty of every
 21 agency to provide reasonable assistance and education concerning the requirements of
 22 the laws of this state and the rules of the agency to any person or entity in order to
 23 achieve compliance with such laws and rules before commencing any contested case. A
 24 contested case shall be undertaken only after a reasonable attempt to achieve compliance
 25 with the laws and rules has failed to achieve such compliance;"

26 **SECTION 7.**

27 All laws and parts of laws in conflict with this Act are repealed.