GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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SENATE BILL 12 Second Edition Engrossed 5/13/91

Short Title: APA Rule Making Applies to All Depts.	
Sponsors: Senator Johnson.	_
Referred to: Judiciary I.	_
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February 5, 1991

1		A BILL TO BE ENTITLED
2	AN ACT MAI	KING THE ADMINISTRATIVE RULE-MAKING PROCESS MORE
3	UNIFORM AND TO CLARIFY THE SCOPE OF A RULE.	
4	The General Assembly of North Carolina enacts:	
5	Secti	on 1. G.S. 150B-1(d) reads as rewritten:
6	"(d)	(1) The following are specifically exempted from the provisions
7		of this Chapter:
8		a. The Administrative Rules Review Commission;
9		b. The Employment Security Commission;
10		c. The Industrial Commission;
11		d. The Occupational Safety and Health Review Board in all
12		actions that do not involve agricultural employers; and
13		e. The Utilities Commission.
14	(2)	The North Carolina National Guard is exempt from the provisions of
15		this Chapter in exercising its court-martial jurisdiction.
16	(3)	The Department of Human Resources is exempt from this Chapter in
17		exercising its authority over the Camp Butner reservation granted in
18		Article 6 of Chapter 122C of the General Statutes. The Department of
19		Human Resources and the Department of Environmental, Health, and
20		Natural Resources are exempt from Article 3 of this Chapter in
21		complying with the procedural safeguards mandated by the Section
22		680 of Part H of P.L. 99-457 as amended (Education of the
23		Handicapped Act Amendments of 1986).

1 (4) The Department of Correction is exempt from the provisions of this 2 Chapter, except for Article 5 of this Chapter and G.S. 150B-13 which 3 shall apply. Article 3 of this Chapter does not apply to the Department of Correction. 4 5 Articles 2 and 3 of this Chapter shall not apply to the Department of (5) 6 Revenue. 7 Except as provided in Chapter 136 of the General Statutes, Articles 2 (6) 8 and-Article 3 of this Chapter do-does not apply to the Department of 9 Transportation. Article 4 of this Chapter, governing judicial review of final 10 **(7)** administrative decisions, shall apply to The University of North 11 12 Carolina and its constituent or affiliated boards, agencies, and 13 institutions, but The University of North Carolina and its constituent or 14 affiliated boards, agencies, and institutions are specifically exempted 15 from the remaining provisions of this Chapter. 16 (8) Article 4 of this Chapter shall not apply to the State Banking 17 Commission, the Commissioner of Banks, the Savings Institutions 18 Division of the Department of Economic and Community Development, and the Credit Union Division of the Department of 19 20 Economic and Community Development. 21 (9) Article 3 of this Chapter shall not apply to agencies governed by the provisions of Article 3A of this Chapter, as set out in G.S. 150B-38(a). 22 Articles 3 and 3A of this Chapter shall not apply to the Governor's 23 (10)24 Waste Management Board in administering the provisions of G.S. 25 104E-6.2 and G.S. 130A-293. Article 2 of this Chapter shall not apply to the North Carolina Low-26 (11)27 Level Radioactive Waste Management Authority in administering the provisions of G.S. 104G-10 and G.S. 104G-11. Articles 3 and 3A of 28 29 this Chapter shall not apply to the North Carolina Low-Level 30 Radioactive Waste Management Authority in administering the 31 provisions of G.S. 104G-9, 104G-10, and 104G-11. 32 Article 2 of this Chapter shall not apply to the North Carolina (12)33 Hazardous Waste Management Commission in administering the provisions of G.S. 130B-13 and G.S. 130B-14. Articles 3 and 3A of 34 35 this Chapter shall not apply to the North Carolina Hazardous Waste 36 Management Commission in administering the provisions of G.S. 130B-11, 130B-13, and 130B-14. 37 38 Article 3 and G.S. 150B-51(a) of this Chapter shall not apply to (13)39 hearings required pursuant to the Rehabilitation Act of 1973, (Public Law 93-122), as amended and federal regulations promulgated 40

Sec. 2. G.S. 150B-16 reads as rewritten:

thereunder."

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[&]quot;§ 150B-16. Petition for adoption of rules.

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- (a) Except as provided in subsection (b), any Any person may petition an agency to promulgate, amend, or repeal a rule, and may accompany his petition with such data, views, and arguments as he thinks pertinent. Each agency shall prescribe by rule the form for petitions and the procedure for their submission, consideration, and disposition. Within 30 days after submission of a petition, the agency shall either deny the petition in writing, stating its reasons for the denial, or initiate rule-making proceedings in accordance with G.S. 150B-12 and G.S. 150B-13; provided, however, commissions and boards shall act on a petition at their next regularly scheduled meeting, but in any case no later than 120 days after submission of a petition. Denial of the petition to initiate rule making under this section shall be considered a final agency decision for purposes of judicial review.
 - (b) This section does not apply to the Department of Correction." Sec. 2.1. G.S. 150B-17 reads as rewritten:

"§ 150B-17. Declaratory rulings.

- (a) On request of a person aggrieved, an agency shall issue a declaratory ruling as to the validity of a rule or as to the applicability to a given state of facts of a statute administered by the agency or of a rule or order of the agency, except when the agency for good cause finds issuance of a ruling undesirable. The agency shall prescribe in its rules the circumstances in which rulings shall or shall not be issued. A declaratory ruling is binding on the agency and the person requesting it unless it is altered or set aside by the court. An agency may not retroactively change a declaratory ruling, but nothing in this section prevents an agency from prospectively changing a declaratory ruling. A declaratory ruling is subject to judicial review in the same manner as an order in a contested case. Failure of the agency to issue a declaratory ruling on the merits within 60 days of the request for such ruling shall constitute a denial of the request as well as a denial of the merits of the request and shall be subject to judicial review.
 - (b) This section does not apply to the Department of Correction."
- Sec. 3. The Rules Review Commission must review the rules of the Departments of Correction, Transportation, and Revenue to determine if the rules meet the standards for review in G.S. 143B-30.2. A rule that does not meet the standards is repealed effective January 1, 1994. The agencies may adopt, recodify, amend, or repeal a rule in response to an objection by the Commission in the course of this review without publishing notice in the North Carolina Register or holding a rule-making hearing.

Sec. 3.1. G.S. 150B-2(8a)f. reads as rewritten:

- "f. Statements of agency policy, provided that the policy is not inconsistent with any law enacted by the General Assembly, Requirements, communicated to the public by the use of signs or symbols, concerning:
 - 1. The use or creation of public roads or bridges;
 - 2. The boundaries of public facilities and times when public facilities are open to the public; or
 - 3. Safety in use of public facilities.

concerning the use of public roads, bridges, ferries, buildings, or other facilities."

Sec. 3.2. G.S. 150B-2(8a)h. reads as rewritten:

"h. Scientific, architectural, or engineering standards, forms, or procedures. procedures, including design criteria and construction standards used to construct or maintain highways, bridges, or ferries."

Sec. 4. G.S. 20-2 reads as rewritten:

"§ 20-2. Commissioner of Motor Vehicles: Vehicles; rules.

(a) <u>Commissioner and Assistants.—</u> The Division of Motor Vehicles shall be administered by the Commissioner of Motor Vehicles, who shall be appointed by and serve at the pleasure of the Secretary of the Department of Transportation. The Commissioner shall be paid an annual salary to be fixed by the General Assembly in the Current Operations Appropriations Act and allowed his traveling expenses as allowed by law.

In any action, proceeding, or matter of any kind, to which the Commissioner of Motor Vehicles is a party or in which he may have an interest, all pleadings, legal notices, proof of claim, warrants for collection, certificates of tax liability, executions, and other legal documents, may be signed and verified on behalf of the Commissioner of Motor Vehicles by the Assistant Commissioner of Motor Vehicles or by any director or assistant director of any section of the Division of Motor Vehicles or by any other agent or employee of the Division so authorized by the Commissioner of Motor Vehicles.

(b) Rules. The Commissioner may adopt rules to implement this Chapter. Chapter 150B of the General Statutes governs the adoption of rules by the Commissioner."

Sec. 5. G.S. 136-10 reads as rewritten:

"§ 136-10. Audit. Audit and rules.

The operations of the Department of Transportation shall be subject to the oversight of the State Auditor pursuant to Article 5A of Chapter 147 of the General Statutes. Rules adopted by the Department of Transportation are subject to Chapter 150B of the General Statutes."

Sec. 6. G.S. 148-11 reads as rewritten:

"§ 148-11. Authority to make regulations. adopt rules.

The Secretary shall adopt rules for the government of the State prison system and shall file and publish such rules in accordance with the provisions of Article 5 of Chapter 150B. In the case of temporary rules, such rules shall become effective immediately upon adoption by the Secretary and shall be filed in accordance with G.S. 150B-13 within two working days of adoption. system. Chapter 150B of the General Statutes governs the adoption of rules by the Secretary. The Secretary shall have such portion of these the rules and regulations as that pertain to enforcing discipline read to every prisoner when received in the State prison system and a printed copy of these rules and regulations shall be made available to the prisoners."

Sec. 7. G.S. 105-262 reads as rewritten:

"§ 105-262. Rules and regulations. Rules.

The Secretary of Revenue shall, from time to time, initiate and prepare such regulations, not inconsistent with law, as may be useful and necessary to implement the provisions of all the Articles of Subchapter I (except Article 8B) and Article 36 of Subchapter V, such regulations to become effective when approved by the Tax Review Board. All regulations and amendments thereto shall be published and made available by the Secretary of Revenue. may adopt rules needed to administer a tax collected by the Secretary or to fulfill another duty delegated to the Secretary. The Tax Review Board shall review a new rule or a change to a rule before it is filed in the North Carolina Administrative Code.

The Secretary of Revenue may, from time to time, make and prescribe such administrative rules, not inconsistent with law and the regulations approved by the Tax Review Board, as may be useful for the administration of his department and the discharge of his responsibilities.

References to rules and regulations of the Secretary of Revenue in this Chapter and in any subsequent amendments or additions thereto (unless expressly provided to the contrary therein) shall be construed to mean those rules and regulations promulgated under the provisions of this section."

Sec. 8. G.S. 143B-30 reads as rewritten:

"§ 143B-30. Definitions.

As used in this Part, the following definitions apply:

- (1) 'Agency' means an agency subject to the provisions of Article 2–5 of Chapter 150B of the General Statutes.
- (2) 'Commission' means the Administrative Rules Review Commission.
- (3) 'Rule' means a 'rule', as defined in G.S. 150B-2(8a)."
- Sec. 9. G.S. 150B-2(8a) is amended by adding a new subpart to read:
 - "i. Establishment of the interest rate that applies to tax assessments under G.S. 105-241.1 and the variable component of the excise tax on motor fuel under G.S. 105-434."

Sec. 10. This act becomes effective July 1, 1991, and applies to rules for which a notice of rule making is required to be published in the North Carolina Register on or after that date and to all rules that do not require publication of a notice of rule making and are adopted on or after that date.