SENATE FILE 439 BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO SF 375)

A BILL FOR

1 An Act providing for negotiated rulemaking.

2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. <u>NEW SECTION</u>. **17A.4B** Negotiated rulemaking. 2 1. An agency shall create a negotiated rulemaking group if 3 required by statute. An agency may, on its own motion or upon 4 request, create a negotiated rulemaking group if the agency 5 determines that a negotiated rulemaking group can adequately 6 represent the interests that will be significantly affected by 7 a draft rule proposal and that it is feasible and appropriate 8 in the particular rulemaking. Notice of the creation of a 9 negotiated rulemaking group shall be published in the Iowa 10 administrative bulletin. Upon establishing a negotiated 11 rulemaking group, the agency shall also specify a time frame 12 for group deliberations.

13 2. Unless otherwise provided by statute, the agency shall 14 appoint a sufficient number of members to the group so that 15 a fair cross section of opinions and interests regarding the 16 draft rule proposal is represented. One person shall be 17 appointed to represent the agency. The group shall select its 18 own chairperson and adopt its rules of procedure. All meetings 19 of the group shall be open to the public. A majority of the 20 membership constitutes a quorum. Members shall not receive 21 any per diem payment but shall be reimbursed for all necessary 22 expenses. Any vacancy shall be filled in the same manner as 23 the initial appointment.

3. Prior to the publication of a notice of intended action,
the group shall consider the terms or substance of the rule
drafted by the agency and shall attempt to reach a consensus
concerning the draft rule proposal.

4. If a group reaches a consensus on a draft rule proposal, the group shall transmit to the agency a report containing the consensus on the draft rule proposal. If the group does not reach a consensus on a draft rule proposal within the specified time frame, the group shall transmit to the agency a report stating that inability to reach a consensus and specifying any areas in which the group reached a consensus. The group may include in a report any other information, recommendations,

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or materials that the group considers appropriate. Any group
 member may include as an addendum to the report additional
 information, recommendations, or materials. A report issued
 under this subsection shall not be considered final agency
 action for purposes of judicial review.

6 5. Unless otherwise provided by statute, following a 7 negotiated rulemaking group consideration of a draft rule 8 proposal, the agency may commence rulemaking as provided in 9 section 17A.4. The group is automatically abolished upon the 10 agency's adoption of the rule pursuant to the provisions of 11 section 17A.5.

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EXPLANATION

13 If required by statute, this bill requires an agency to 14 create an ad hoc group to review draft rule proposals prior 15 to commencing a rulemaking proceeding. Where a statute does 16 not require this review, the bill allows an agency to create 17 such a review group. Members are appointed by the agency and 18 the composition must adequately represent a fair balance of the 19 interests affected by the rule. Once such a group is created, 20 the agency may only commence rulemaking after the group has 21 considered the draft rule proposal in question.

22 The bill is based on similar provisions found in the federal 23 Administrative Procedures Act.

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