## HOUSE BILL NO. 35

## INTRODUCED BY DAILY

## BY REQUEST OF THE ADMINISTRATIVE CODE COMMITTEE

#### IN THE HOUSE

March 17, 1983

January 3, 1983	Introduced and referred to Committee on State Administration.
January 6, 1983	Committee recommend bill do pass. Report adopted.
January 7, 1983	Bill printed and placed on members' desks.
January 10, 1983	Second reading, do pass.
January 11, 1983	Considered correctly engrossed.
January 12, 1983	Third reading, passed. Transmitted to Senate.
in the se	NATE
January 13, 1983	Introduced and referred to Committee on State Administration.
March 12, 1983	Committee recommend bill be concurred in as amended. Report adopted.
March 15, 1983	Second reading, concurred in.

## IN THE HOUSE

Third reading, concurred in.

Ayes, 47; Noes, 1.

March 17, 1983 Returned to House with amendments.

March 30, 1983

March 31, 1983

Second reading, amendments concurred in.

Third reading, amendments concurred in.

Sent to enrolling.

Reported correctly enrolled.

1 HOUSE BILL NO. 35
2 INTRODUCED BY DATLY
3 BY REQUEST OF THE ADMINISTRATIVE CODE COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE A GRANT OF RULEMAKING AUTHORITY WITH EACH STATUTE ENACTED OR AMENDED IF IT IS TO BE IMPLEMENTED BY AN ADMINISTRATIVE RULE; AMENDING SECTIONS 2-4-305 AND 5-4-402, MCA; AND PROVIDING AN APPLICABILITY CLAUSE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 2-4-305, MCA, is amended to read:

#2-4-305. Requisites for validity -- authority and
statement of reasons. (1) The agency shall consider fully
written and oral submissions respecting the proposed rule.

Upon adoption of a rule, an agency shall issue a concise
statement of the principal reasons for and against its
adoption, incorporating therein its reasons for overruling
the considerations urged against its adoption. If
substantial differences exist between the rule as proposed
and as adopted and the differences have not been described
or set forth in the adopted rule as that rule is printed in
the Montana administrative register, the differences must be
described in the statement of reasons for and against agency
action. When no written or oral submissions have been

1 received, an agency may omit the statement of reasons.

2 (2) Rules may not unnecessarily repeat statutory
3 language. Whenever it is necessary to refer to statutory
4 language in order to convey the meaning of a rule
5 interpreting the language, the reference shall clearly
6 indicate that portion of the language which is statutory and
7 the portion which is amplification of the language.

(3) Each proposed and adopted rule shall include a citation to the specific grant of rulemaking authority pursuant to which it or any part thereof is adopted. A rule proposed and adopted to implement a statute referred to in 5-4-402(3) must include a citation to the session laws of Montana containing the specific grant of rulemaking authority pursuant to which it or any part thereof is adopted. In addition, each proposed and adopted rule shall include a citation to the specific section or sections in the Montana Code Annotated which the rule purports to implement.

(4) Each rule proposed and adopted by an agency implementing a policy of a governing board or commission must include a citation to and description of the policy implemented. Each agency rule implementing a policy, as used in the definition set forth in 2-4-102(10), and the policy itself must be based on legal authority and otherwise comply with the requisites for validity of rules established by

1 this chapter.

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- (5) To be effective, each substantive rule adopted must be within the scope of authority conferred and in accordance with standards prescribed by other provisions of law.
- (6) Whenever by the express or implied terms of any statute a state agency has authority to adopt rules to implement, interpret, make specific, or otherwise carry out the provisions of the statute, no rule adopted is valid or effective unless consistent and not in conflict with the statute and reasonably necessary to effectuate the purpose of the statute.
- (7) No rule is valid unless adopted in substantial compliance with 2-4-302 or 2-4-303 and this section and unless notice of adoption thereof is published within 6 months of the publishing of notice of the proposed rule. If an amended or supplemental notice of either proposed or final rulemaking, or both, is published concerning the same rule, the 6-month limit must be determined with reference to the latest notice in all cases."
- Section 2. Section 5-4-402, MCA. Is amended to read:
  #5-4-402. Purpose. (1) The legislature finds that it
  must accept the ultimate responsibility for the increase in
  the discretionary authority of state executive branch
  agencies. as evidenced by proliferating rules, forms,

l orders, and licensing proceedings before state agencies.

2 121 The purpose of this Legislative History Act is to
3 assure that statutes henceforth enacted to grant additional
4 discretionary authority to state agencies are accompanied by
5 a clear indication of the legislature's intent as to how
6 such discretion is to be exercised and the legislature's
7 purpose for delegating the authority.

13) A statute enacted or amended may not be implemented by an administrative rule, even in an area in 10 which a state agency has existing rulemaking authority. 11 unless the statute enacted or amended is accompanied by a 12 delegation of authority extending such authority to the 13 statute as enacted or amended. If the delegation of 14 authority supplements existing statutory rulemaking 15 authority, the delegation of authority must be included in a 16 codification instruction.

17 <u>NEW SECTIONs</u> Section 3. Applicability. This act
18 applies to statutes enacted or amended after October 1.
19 1983.

-End-

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# Approved by Committee on State Administration

INTRODUCED BY DAILY 2 BY REQUEST OF THE ADMINISTRATIVE CODE COMMITTEE 3 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE A GRANT OF 5 6 RULEMAKING AUTHORITY WITH EACH STATUTE ENACTED OR AMENDED IF 7 IT IS TO BE IMPLEMENTED BY AN ADMINISTRATIVE RULE: AMENDING SECTIONS 2-4-305 AND 5-4-402, MCA; AND PROVIDING AN 8 9 APPLICABILITY CLAUSE." 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 11 12 Section 1. Section 2-4-305, MCA, is amended to read: =2-4-305. Requisites for validity -- authority and 13 14 statement of reasons. (1) The agency shall consider fully 15 written and oral submissions respecting the proposed rule. Upon adoption of a rule, an agency shall issue a concise 16 statement of the principal reasons for and against its 17 18 adoption, incorporating therein its reasons for overruling 19 the considerations urged against its adoption. If 20 substantial differences exist between the rule as proposed and as adopted and the differences have not been described 21

or set forth in the adopted rule as that rule is printed in

the Montana administrative register, the differences must be

described in the statement of reasons for and against agency

action. When no written or oral submissions have been

\_ BILL NO. 35

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received, an agency may omit the statement of reasons.

(2) Rules may not unnecessarily repeat statutory language. Whenever it is necessary to refer to statutory language in order to convey the meaning of a rule interpreting the language, the reference shall clearly indicate that portion of the language which is statutory and the portion which is amplification of the language.

(3) Each proposed and adopted rule shall include a citation to the specific grant of rulemaking authority pursuant to which it or any part thereof is adopted. A rule proposed and adopted to implement a statute referred to in 5-4-402(3) must include a citation to the session laws of Hontana containing the specific grant of rulemaking authority pursuant to which it or any part thereof is adopted. In addition, each proposed and adopted rule shall include a citation to the specific section or sections in the Montana Code Annotated which the rule purports to implement.

(4) Each rule proposed and adopted by an agency implementing a policy of a governing board or commission must include a citation to and description of the policy implemented. Each agency rule implementing a policy, as used in the definition set forth in 2-4-102(10), and the policy itself must be based on legal authority and otherwise comply with the requisites for validity of rules established by

this chapter.

- (5) To be effective, each substantive rule adopted must be within the scope of authority conferred and in accordance with standards prescribed by other provisions of law.
- (6) Whenever by the express or implied terms of any statute a state agency has authority to adopt rules to implement, interpret, make specific, or otherwise carry out the provisions of the statute, no rule adopted is valid or effective unless consistent and not in conflict with the statute and reasonably necessary to effectuate the purpose of the statute.
- (7) No rule is valid unless adopted in substantial compliance with 2-4-302 or 2-4-303 and this section and unless notice of adoption thereof is published within 6 months of the publishing of notice of the proposed rule. If an amended or supplemental notice of either proposed or final rulemaking, or both, is published concerning the same rule, the 6-month limit must be determined with reference to the latest notice in all cases.\*\*
- Section 2. Section 5-4-402, MCA, is amended to read:

  #5-4-402. Purpose. (1) The legislature finds that it

  must accept the ultimate responsibility for the increase in

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13) A statute enacted or amended may not be implemented by an administrative rule, even in an area in which a state agency has existing rulemaking authority unless the statute enacted or amended is accompanied by a delegation of authority extending such authority to the statute as enacted or amended. If the delegation of authority supplements existing statutory rulemaking authority the delegation of authority must be included in a codification instruction."

17 NEW SECTION: Section 3. Applicability. This act
18 applies to statutes enacted or amended after October 1,
19 1983.

-End-

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6 indicate that portion of the language which is statutory and
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- (3) Each proposed and adopted rule shall include a citation to the specific grant of rulemaking authority pursuant to which it or any part thereof is adopted. A rule proposed and adopted to implement a statute referred to in 5-4-402(3) must include a citation to the session laws of Montana containing the specific grant of rulemaking authority pursuant to which it or any part thereof is adopted. In addition, each proposed and adopted rule shall include a citation to the specific section or sections in the Montana Code Annotated which the rule purports to implement.
- (4) Each rule proposed and adopted by an agency implementing a policy of a governing board or commission must include a citation to and description of the policy implemented. Each agency rule implementing a policy, as used in the definition set forth in 2-4-102(10), and the policy itself must be based on legal authority and otherwise comply with the requisites for validity of rules established by

THIRD READING

this chapter.

- (5) To be effective, each substantive rule adopted must be within the scope of authority conferred and in accordance with standards prescribed by other provisions of law.
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- (7) No rule is valid unless adopted in substantial compliance with 2-4-302 or 2-4-303 and this section and unless notice of adoption thereof is published within 6 months of the publishing of notice of the proposed rule. If an amended or supplemental notice of either proposed or final rulemaking, or both, is published concerning the same rule, the 6-month limit must be determined with reference to the latest notice in all cases.
- Section 2. Section 5-4-402, MCA, is amended to read:

  "5-4-402. Purpose. 411 The legislature finds that it
  must accept the ultimate responsibility for the increase in
  the discretionary authority of state executive branch
  agencies, as evidenced by proliferating rules, forms,

1 orders, and licensing proceedings before state agencies.

421 The purpose of this Legislative History Act is to assure that statutes henceforth enacted to grant additional discretionary authority to state agencies are accompanied by a clear indication of the legislature's intent as to how such discretion is to be exercised and the legislature's purpose for delegating the authority.

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NEW SECTION. Section 3. Applicability. This act applies to statutes enacted or amended after October 1, 1983.

-End-

March 12, 1983

# SENATE STANDING COMMITTEE REPORT (State Administration)

That House Bill No. 35 be amended as follows:

1. Page 4, line 13. Following: "amended."

Strike: remainder of lines 13 through 16

in their entirety.

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- (3) Each proposed and adopted rule shall include a citation to the specific grant of rulemaking authority pursuant to which it or any part thereof is adopted. A\_rule 10 11 proposed\_and\_adopted\_to\_implement\_a\_statute\_referred\_to\_in 12 5=4-402131\_must\_include\_a\_citation\_to\_the\_session\_laws\_of 13 Montana\_\_containing\_the\_specific\_grant\_of\_rulemaking 14 authority pursuant to which it or any part thereof is adopted. In addition, each proposed and adopted rule shall include a citation to the specific section or sections in 17 the Montana Code Annotated which the rule purports to 18 implement.
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