



## ARIZONA STATE SENATE

*Fifty-Seventh Legislature, First Regular Session*

### FACT SHEET FOR H.B. 2594

#### GRRC; continuation

##### Purpose

Continues the Governor's Regulatory Review Council (GRRC) for two years. Prescribes requirements for GRRC regulatory rule review and approval including prohibiting GRRC from approving a rule during a study session. Modifies GRRC membership and outlines requirements for the Chairperson of GRRC.

##### Background

Established in 1981, GRRC is responsible for review and approval of state agency rules and policies. Before an agency may file a rule with the Secretary of State, the agency must submit the rule to GRRC for approval. GRRC's review process consists of evaluating the economic, small business and consumer impact of the agency's proposed rule. GRRC considers the overall burden and costs of implementing the proposed rule and determines whether it is necessary for the agency's underlying regulatory objective. Statute outlines that unless a rule meets all requirements, GRRC must not approve the rule.

GRRC consists of six members who are appointed by the Governor and confirmed by the Senate. GRRC membership must consist of: 1) one member who represents the public interest; 2) one member who represents the business community; 3) one member who is a small business owner; 4) one member from a list of three people who are not legislators submitted by the Senate President; 5) one member from a list of three people who are not legislators submitted by the Speaker of the House of Representatives (House); and 6) one member who is an attorney licensed to practice law in Arizona. The Director or Assistant Director of the Arizona Department of Administration (ADOA) is responsible for administering GRRC. The Governor must appoint the members of GRRC for staggered terms of three years. A vacancy that occurs on GRRC must be filled by an appointment from the Governor for the unexpired portion of the term in the same manner as outlined by statute.

A person may petition GRRC to request review of an existing agency practice, substantive policy statement, final rule or regulatory licensing requirement that the petitioner alleges is not specifically authorized by statute, exceeds the agency's statutory authority, is unduly burdensome or is not demonstrated to be necessary to fulfill a public health, safety or welfare concern. GRRC must not approve a rule with an immediate effective date unless two-thirds of the voting quorum vote to approve the rule. GRRC may require a representative of an agency whose rule is under examination to attend a meeting and answer questions. GRRC terminates on July 1, 2025, unless continued by the Legislature ([Executive Order 81-3; A.R.S. Title 41, Chapter 6](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

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Provisions

*Continuation*

1. Continues, retroactive to July 1, 2025, GRRC until July 1, 2027.
2. Repeals GRRC on January 1, 2028.

***GRRC Membership***

3. Modifies GRRC membership to consist of:
  - a) the Director or the Assistant Director of the ADOA;
  - b) two members who are appointed by the Governor, subject to Senate confirmation;
  - c) one member who is appointed by the Governor from a list of five people who are not legislators and who are submitted jointly by the Senate President and Speaker of the House;
  - d) one member who is appointed by the Senate President;
  - e) one member who is appointed by the Speaker of the House; and
  - f) one member who is appointed jointly by the Senate President and Speaker of the House.
4. Prescribes the order of GRRC membership appointments by requiring:
  - a) the member appointed by the Senate President to be appointed first;
  - b) the member appointed by the Speaker of the House to be appointed second;
  - c) the member appointed jointly by the Senate President and Speaker of the House to be appointed third;
  - d) the member appointed by the Governor for the list submitted jointly by the Senate President and Speaker of the House to be appointed fourth; and
  - e) the members appointed by the Governor, subject to Senate confirmation, to be appointed fifth.
5. Requires all subsequent GRRC membership appointments to be made as prescribed by statute.
6. Designates the Director or Assistant Director of ADOA as the Chairperson of GRRC.
7. Requires the Director or Assistant Director of ADOA to oversee the legal and economic analysis of any rules received by GRRC.
8. Prohibits the Assistant Director of ADOA from being the General Counsel of ADOA.
9. Requires GRRC to elect a Vice-Chairperson to serve as Chairperson in the Chairperson's absence.
10. Allows a GRRC member who is appointed as outlined to be reappointed.
11. Requires any vacancy that occurs on GRRC during the term of office for any member to be filled in the same manner as the initial appointment.
12. Stipulates that all members serving on GRRC as of the effective date may continue to serve until the expiration of the member's term.

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***GRRC Review***

13. Adds that a person may petition GRRC to request a review of an existing agency practice, substantive policy statement, final rule or regulatory licensing requirement that the petitioner alleges violates a person's fundamental legal rights.
14. Prohibits GRRC from approving a rule during a study session meeting.
15. Specifies that GRRC may only vote to approve a rule at a GRRC meeting following each study session meeting.
16. Requires GRRC, for all meetings that are open to the public for comment, to allot an equal amount of time to the agency and individuals who support or oppose a rule.
17. Requires GRRC staff to:
  - a) independently review the Arizona Constitution and any relevant statutes and advise GRRC on the constitutionality of a rule independent of an agency's statutory justification for the rule; and
  - b) distribute all GRRC meeting materials to the Senate President and Speaker of the House at the same time the materials are distributed to GRRC members.
18. Defines *study session meeting* as a public meeting where GRRC members meet with agency representatives, the public and GRRC staff to discuss proposed rules and review reports.

***Miscellaneous***

19. Contains a purpose statement.
20. Makes technical and conforming changes.
21. Becomes effective on the general effective date, with a retroactive provision as noted.

**House Action**

GOV	2/19/25	DPA	4-2-1-0
3 <sup>rd</sup> Read	3/10/25		31-25-4

Prepared by Senate Research

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AN/DL/slp