

**GOVERNOR'S REGULATORY REVIEW COUNCIL (GRRC)
MINUTES OF THE
JULY 28, 2015 STUDY SESSION**

The Governor's Regulatory Review Council study session was held on **Thursday, July 28, 2015**, at **10:00 a.m.**, at the Arizona Department of Administration, 100 N. 15th Avenue, First Floor Conference Room, Phoenix, Arizona.

PRESENT:

Council Chair:	Bret Parke
Council Member:	Lori Daniels
Council Member:	Michael Lofton
Council Member:	Connie Wilhelm
GRRC Staff Attorney:	Scott Cooley
GRRC Staff Attorney:	Chris Kleminich
GRRC Intern:	Johnathon Hanes
GRRC Staff Assistant:	Dolores Habre

ABSENT:

Council Member:	Jason Isaak
Council Member:	Warde Nichols
Council Member:	Marcus Osborn
Attorney General Representative:	Christopher Munns

CALL TO ORDER:

Council Chair Bret Parke called the Study Session to order at approximately 10:05 a.m.

DISCUSSION OF MINUTES:

Council Meeting Minutes 7/7/2015: No Discussion

DISCLOSURE OF CONFLICTS OF INTEREST:

None

DISCUSSION AGENDA:

D. Five-Year-Review Reports for Discussion:

1. INDUSTRIAL COMMISSION OF ARIZONA (F-15-0801)

Title 20, Chapter 5, Article 10, Wage Claims

Johnathon Hanes gave a report on the legal and economic analysis for this agenda item.

Council Member Lofton asked how claims are handled above \$2,500.

Johnathon Hanes responded that because of state statute the Commission is able to hear proceedings for \$5,000 or below.

Council Member Lofton asked where the claim goes if it's above that.

Johnathon Hanes replied that it would go through the normal court system.

Council Member Lofton commented on whether a rule change would benefit or not benefit a wage earner from getting legal counsel going through the court system rather than the Industrial Commission.

Chris Klemminich explained that the Commission is trying to get the rules in line with statute to promote clarity.

Council Member Lofton commented on the GRRC office not having an Economist on staff.

Chris Klemminich responded that the office is currently using the Department of Administration's Economists from the Employment and Population Statistics Division.

Council Member Lofton commented on whether it was appropriate in the wording of the EIS memo to say it was looked at by the GRRC Economist.

Chairman Parke responded that the Economists are on GRRC time and are getting paid out of the GRRC budget, and are therefore considered GRRC Economists. The process is done in a more collaborative manner between attorneys and economists. Before, one Economist did not have peer review or additional insight or discussions among peers to have a better product. Chairman Parke indicated that he supports the current approach.

2. ARIZONA STATE RETIREMENT SYSTEM (F-15-0803)

Title 2, Chapter 8, Article 1, Retirement System, Defined Benefit Plan; Article 4, Practice and Procedure Before the Board; and Article 5, Purchasing Service Credit

Chris Klemminich gave a report on the legal and economic analysis for this agenda item.

Chairman Parke asked the ASRS for clarification regarding cost in relation to the length of hearings.

Jessica Ross, representing ASRS, clarified that her understanding of the cost was that hearings do not last more than a day, but that she will get back to the Council with more accurate information.

Council Member Wilhelm requested that staff identify and track the course of proposed action and the dates provided by agencies to complete actions in five-year-review reports.

Chairman Parke indicated that staff would look into such tracking, and clarified that ASRS indicated that final rules would go to Council by December 2016.

3. ARIZONA RADIATION REGULATORY AGENCY (F-15-0804)

Title 12, Chapter 1, Article 9, Particle Accelerators

Chris Klemminich gave a report on the legal and economic analysis for this agenda item.

Council Member Lofton asked if the agency has rules that are not clear and concise or enforceable, would it not be helpful to consider repealing those rules?

Chris Klemmich responded that repealing rules is an option that should be on the table for agencies.

Chairman Parke supported Council Member Lofton's inquiry and indicated that the Council should find out from the agency whether that is or isn't the case. He also indicated his concern about the Agency not planning to amend these rules, as well as the reasons why they don't want to amend. He would like feedback as to what new technology is out there and if those parties need the Department's authority to use those emerging technologies.

Jerry Perkins, representing the Agency, addressed Chairman Parke's concerns regarding amendment of these rules.

Chairman Parke indicated his desire for agencies to consider pursuing an exception from the moratorium to amend rules or to pass new rules.

E. CONSIDERATION AND DISCUSSION OF RULES:

**1. ARIZONA DEPARTMENT OF WEIGHTS AND MEASURES (R-15-0802)
Title 20, Chapter 2, Article 1, Administration and Procedures; Article 9, Gasoline Vapor Control; Article 10, Stage I Vapor Recovery (New Article)**

- Amend: R20-2-101
- Amend: Article 9
- Amend: R20-2-901
- Amend: R20-2-902
- Amend: R20-2-903
- Amend: R20-2-904
- Amend: R20-2-906
- Amend: R20-2-907
- Amend: R20-2-908
- Amend: R20-2-909
- Amend: R20-2-910
- New Article: Article 10
- New Section: R20-2-913
- New Section: R20-2-1001
- New Section: R20-2-1002
- New Section: R20-2-1003
- New Section: R20-2-1004
- New Section: R20-2-1005
- New Section: R20-2-1006
- New Section: R20-2-1007
- New Section: R20-2-1008
- New Section: R20-2-1009
- New Section: R20-2-1010

New Section: R20-2-1011
New Section: R20-2-1012
New Section: R20-2-1013
New Table: Table 1

Chris Klemmich gave a report on the legal and economic analysis for this agenda item.

Chairman Parke commented that the Department of Weights & Measures is going away and asked where the rules will reside.

Chris Klemmich responded that the rules will be going to the Department of Agriculture.

2. ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS (R-15-0803)
Title 4, Chapter 46, Article 1, General Provisions; Article 4, Appraisal Management
Companies (New Article); Article 5, Course Approval; Article 6, Property Tax Agents

Repeal: Article 4
Repeal: R4-46-401
Repeal: R4-46-503
Repeal: R4-46-602
Amend: R4-46-101
Amend: R4-46-102
Amend: R4-46-103
Amend: R4-46-106
Amend: R4-46-501
Amend: R4-46-601
New Article: Article 4
New Section: R4-46-107
New Section: R4-46-401
New Section: R4-46-402
New Section: R4-46-403
New Section: R4-46-404
New Section: R4-46-405
New Section: R4-46-406
New Section: R4-46-407
New Section: R4-46-408
New Section: R4-46-502
New Section: R4-46-503
New Section: R4-46-504
New Section: R4-46-505
New Section: R4-46-506
New Section: R4-46-507
New Section: R4-46-508
New Section: R4-46-509
New Section: R4-46-510
New Section: R4-46-511

Scott Cooley gave a report on the legal and economic analysis for this agenda item.

Chairman Parke commented that with the rule change, the affected regulated parties will need to pay \$200 up front as opposed to \$100 per year.

Scott Cooley confirmed.

Chairman Parke clarified that updates were made to reflect changes to the rules and the analysis that changed based on work that was done by the Department as opposed to the Board.

Scott Cooley responded that the Department picked up the Board of Appraisal rule package and ran with it to move forward with the rulemaking. Since the rule package was pending they wanted to get the appraisal management companies rules done and then do a follow up rulemaking after all the remaining statutes have been done with follow-up legislation.

Chairman Parke asked the representative from the Department if they were comfortable with economic analysis and that they had the opportunity to review it.

Debra Rudd, representing the Department, confirmed that they are comfortable at this point.

Council Member Wilhelm thanked Debra and DFI for being so diligent and working hard knowing that this was a controversial topic making its way through the Capitol; and was glad to see the item before the Council.

F. AGENCY REPORT TO COUNCIL:

The Council will discuss the agency's report on the rulemaking progress as requested. The Council may request information from the agency or members of the public and modify or terminate the agency's reporting.

1. DEPARTMENT OF ECONOMIC SECURITY (F-14-0102)

Title 6, Chapter 1, Article 1, Public Participation in Rulemaking; Article 2, Debt Setoff; Article 5, Civil Rights

Approved February 4, 2014, with an agreement from the agency that it will provide a status report every six months, on the progress of its rulemaking activities.

2. ARIZONA DEPARTMENT OF ECONOMIC SECURITY (F-14-0103)

Title 6, Chapter 11, Article 1, General Provisions; Article 2, JTPA Appeal Process

Approved February 4, 2014, with an agreement from the agency that it will provide a status report every six months, on the progress of its rulemaking activities.

Scott Cooley reported on the six month progress of the agency's rulemaking activities.

F. ADJOURNMENT

Council Chair Bret Parke adjourned the study session at approximately 11:16 a.m.

Respectfully submitted,
/S/dh

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GRRC Executive Staff Assistant