

**As Introduced**

**132nd General Assembly**

**Regular Session**

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**H. B. No. 620**

**Representatives Roegner, Riedel**

**Cosponsors: Representatives Merrin, Antani, Henne, Kick, Butler, Becker, Lang,  
Thompson, Romanchuk, Hood, Wiggam, Scherer, Carfagna**

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**A BILL**

To amend section 106.03 and to enact sections 1  
101.352, 121.93, 121.931, and 121.932 of the 2  
Revised Code to require agencies to reduce the 3  
number of regulatory restrictions. 4

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That section 106.03 be amended and sections 5  
101.352, 121.93, 121.931, and 121.932 of the Revised Code be 6  
enacted to read as follows: 7

**Sec. 101.352.** The joint committee on agency rule review 8  
shall advise and assist state agencies in preparing base and 9  
revised inventories of regulatory restrictions, and shall advise 10  
and assist state agencies in achieving specified percentage 11  
reductions in regulatory restrictions. 12

Annually, not later than the fifteenth day of June, the 13  
executive director of the joint committee shall prepare a 14  
historical report aggregating the reports received from state 15  
agencies for the preceding year. In the report, the executive 16  
director also shall describe the work of the joint committee 17

over the preceding year with respect to reduction of regulatory 18  
restrictions, and shall indicate, out of the total number of 19  
regulatory restrictions inventoried by state agencies, the 20  
percentage by which state agencies have reduced those regulatory 21  
restrictions. The report also shall provide recommendations for 22  
statutory changes, where appropriate, brought to the attention 23  
of the joint committee as contributing to the adoption of 24  
regulatory restrictions. 25

The joint committee shall publish the report on its web 26  
site, and shall transmit copies of the report electronically to 27  
the general assembly in the manner specified by section 101.68 28  
of the Revised Code. 29

**Sec. 106.03.** Prior to the review date of an existing rule, 30  
the agency that adopted the rule shall do both of the following: 31

(A) Review the rule to determine all of the following: 32

(1) Whether the rule should be continued without 33  
amendment, be amended, or be rescinded, taking into 34  
consideration the purpose, scope, and intent of the statute 35  
under which the rule was adopted; 36

(2) Whether the rule needs amendment or rescission to give 37  
more flexibility at the local level; 38

(3) Whether the rule needs amendment or rescission to 39  
eliminate unnecessary paperwork; 40

(4) Whether the rule incorporates a text or other material 41  
by reference and, if so, whether the text or other material 42  
incorporated by reference is deposited or displayed as required 43  
by section 121.74 of the Revised Code and whether the 44  
incorporation by reference meets the standards stated in 45  
sections 121.72, 121.75, and 121.76 of the Revised Code; 46

(5) Whether the rule duplicates, overlaps with, or conflicts with other rules; 47  
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(6) Whether the rule has an adverse impact on businesses, as determined under section 107.52 of the Revised Code; 49  
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(7) Whether the rule contains words or phrases having meanings that in contemporary usage are understood as being derogatory or offensive;~~and~~ 51  
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(8) Whether the rule requires liability insurance, a bond, or any other financial responsibility instrument as a condition of licensure; and 54  
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(9) Whether a rule that contains one or more regulatory restrictions should be amended or rescinded to reduce regulatory restrictions. 57  
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In making its review, the agency shall consider the continued need for the rule, the nature of any complaints or comments received concerning the rule, and any relevant factors that have changed in the subject matter area affected by the rule. 60  
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(B) On the basis of its review of the existing rule, the agency shall determine whether the existing rule needs to be amended or rescinded. 65  
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(1) If the existing rule needs to be amended or rescinded, the agency, on or before the review date of the existing rule, shall commence the process of amending or rescinding the existing rule in accordance with its review of the rule. 68  
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(2) If the existing rule does not need to be amended or rescinded, proceedings shall be had under section 106.031 of the Revised Code. 72  
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Upon the request of the agency that adopted an existing rule, the joint committee on agency rule review may extend the review date of the rule to a date that is not later than one hundred eighty days after the review date assigned to the rule by the agency. Not more than two such extensions may be allowed.

Sec. 121.93. Not later than December 31, 2019, a state agency shall review its existing rules to identify rules having one or more regulatory restrictions that require or prohibit an action and prepare an inventory of the regulatory restrictions in its existing rules. Examples of words suggesting that a rule incorporates a regulatory restriction include "shall," "must," "require," "shall not," "may not," and "prohibit." This inventory is the "base inventory."

In the inventory, the state agency shall indicate all of the following:

(A) The regulatory restriction;

(B) The rule number of the rule in which the regulatory restriction appears;

(C) The statutory delegation under which the regulatory restriction was adopted;

(D) Whether the state agency was required to exercise any discretion in drafting the regulatory restriction; and

(E) Whether removing the regulatory restriction would require statutory change.

The state agency shall compute and state the total number of regulatory restrictions indicated in the inventory.

The state agency shall post the inventory on its web site, and shall electronically transmit a copy of the inventory to the

joint committee on agency rule review and to the general 103  
assembly under section 101.68 of the Revised Code. 104

The inventory requirement does not apply to an internal 105  
management rule or any rule required to be adopted verbatim by 106  
the controlling statutory delegation. 107

**Sec. 121.931.** (A) (1) A state agency shall amend or rescind 108  
rules identified in its inventory of regulatory restrictions as 109  
necessary to reduce the total number of regulatory restrictions 110  
by thirty per cent, according to the following schedule: 111

(a) A ten per cent reduction not later than December 31, 112  
2020; 113

(b) A twenty per cent reduction not later than December 114  
31, 2021; and 115

(c) The thirty per cent reduction not later than December 116  
31, 2022. 117

When a reduction of any percentage in regulatory 118  
restrictions, whether or not as specified, has been achieved, 119  
the state agency may not adopt or maintain regulatory 120  
restrictions that would negate the reduction. 121

(2) If a specified percentage reduction has not been 122  
achieved according to the schedule, the state agency may not 123  
adopt a new regulatory restriction unless it simultaneously 124  
removes two or more other existing regulatory restrictions, 125  
until the specified thirty per cent reduction has been achieved. 126  
The state agency may not fulfill this requirement by merging two 127  
or more existing regulatory restrictions into a single surviving 128  
regulatory restriction. 129

(3) The state agency is encouraged to continue to reduce 130

regulatory restrictions after the specified thirty per cent 131  
reduction has been achieved. 132

(B) Not later than March 15, 2021, and annually 133  
thereafter, the state agency shall prepare an historical report 134  
of its progress in complying with the specified percentage 135  
reductions in regulatory restrictions over the preceding year 136  
under divisions (A)(1) and (2) of this section. The state agency 137  
shall include a revised inventory of regulatory restrictions 138  
with the report. 139

In the revised inventory, in addition to the information 140  
required by section 121.93 of the Revised Code, the state agency 141  
shall compute the net reduction in regulatory restrictions by 142  
adding the number of regulatory restrictions carried forward 143  
from the previous inventory to the number of regulatory 144  
restrictions added since the previous inventory, and then 145  
subtracting from the sum of the carried over and new regulatory 146  
restrictions the number of regulatory restrictions eliminated 147  
since the previous inventory. The state agency then shall 148  
subtract the net reduction from the number of regulatory 149  
restrictions in the base inventory, and divide the result by the 150  
number of regulatory restrictions in the base inventory to 151  
determine the percentage reduction in regulatory restrictions. 152

The state agency shall transmit the report electronically 153  
to the joint committee on agency rule review and to the general 154  
assembly under section 101.68 of the Revised Code. The state 155  
agency shall continue preparing and transmitting a report until 156  
it has reported that it has achieved the specified thirty per 157  
cent reduction in regulatory restrictions. 158

**Sec. 121.932.** The state is limited in the number of 159  
regulatory restrictions that may be effective at any one time to 160

a number that is seventy per cent of the aggregate total of 161  
regulatory restrictions identified by all state agencies in the 162  
base inventories prepared under section 121.93 of the Revised 163  
Code. A state agency may not adopt a rule if by adopting the 164  
rule the state agency will cause the number of regulatory 165  
restrictions to exceed the state limit. 166

**Section 2.** That existing section 106.03 of the Revised 167  
Code is hereby repealed. 168