

As Introduced

132nd General Assembly

Regular Session

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S. B. No. 293

Senators Peterson, McColley

**Cosponsors: Senators Obhof, Wilson, Bacon, Hoagland, Huffman, LaRose, Coley,
Uecker, Jordan**

A BILL

To amend section 106.03 and to enact sections 1
101.352, 101.353, 121.93, 121.931, and 121.932 2
of the Revised Code to require agencies to 3
reduce the 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, 101.353, 121.93, 121.931, and 121.932 of the Revised 6
Code be 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. 101.353. Legislative information systems, in 30
consultation with the joint committee on agency rule review, 31
shall create and maintain a database that state agencies shall 32
use to transmit copies of inventories, reports, and any other 33
documents to the joint committee under sections 121.93, 121.931, 34
and 121.932 of the Revised Code, and that will assist the joint 35
committee in aggregating reports under section 101.352 of the 36
Revised Code. 37

Sec. 106.03. Prior to the review date of an existing rule, 38
the agency that adopted the rule shall do both of the following: 39

(A) Review the rule to determine all of the following: 40

(1) Whether the rule should be continued without 41
amendment, be amended, or be rescinded, taking into 42
consideration the purpose, scope, and intent of the statute 43
under which the rule was adopted; 44

(2) Whether the rule needs amendment or rescission to give 45
more flexibility at the local level; 46

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

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

(5) Whether the rule duplicates, overlaps with, or conflicts with other rules;

(6) Whether the rule has an adverse impact on businesses, as determined under section 107.52 of the Revised Code;

(7) Whether the rule contains words or phrases having meanings that in contemporary usage are understood as being derogatory or offensive;~~and~~

(8) Whether the rule requires liability insurance, a bond, or any other financial responsibility instrument as a condition of licensure; and

(9) Whether a rule that contains one or more regulatory restrictions should be amended or rescinded to reduce regulatory restrictions.

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.

(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. 75

(1) If the existing rule needs to be amended or rescinded, 76
the agency, on or before the review date of the existing rule, 77
shall commence the process of amending or rescinding the 78
existing rule in accordance with its review of the rule. 79

(2) If the existing rule does not need to be amended or 80
rescinded, proceedings shall be had under section 106.031 of the 81
Revised Code. 82

Upon the request of the agency that adopted an existing 83
rule, the joint committee on agency rule review may extend the 84
review date of the rule to a date that is not later than one 85
hundred eighty days after the review date assigned to the rule 86
by the agency. Not more than two such extensions may be allowed. 87

Sec. 121.93. Not later than December 31, 2019, a state 88
agency shall review its existing rules to identify rules having 89
one or more regulatory restrictions that require or prohibit an 90
action and prepare an inventory of the regulatory restrictions 91
in its existing rules. Examples of words suggesting that a rule 92
incorporates a regulatory restriction include "shall," "must," 93
"require," "shall not," "may not," and "prohibit." This 94
inventory is the "base inventory." 95

In the inventory, the state agency shall indicate all of 96
the following: 97

(A) The regulatory restriction; 98

(B) The rule number of the rule in which the regulatory 99
restriction appears; 100

(C) The statute under which the regulatory restriction was 101
adopted; 102

(D) Whether removing the regulatory restriction would 103
require statutory change. 104

The state agency shall compute and state the total number 105
of regulatory restrictions indicated in the inventory. 106

The state agency shall post the inventory on its web site, 107
and shall electronically transmit a copy of the inventory to the 108
joint committee on agency rule review and to the general 109
assembly under section 101.68 of the Revised Code. 110

The inventory requirement does not apply to an internal 111
management rule or any rule required to be adopted verbatim by 112
the controlling statutory delegation. 113

Sec. 121.931. (A) (1) A state agency shall amend or rescind 114
rules identified in its inventory of regulatory restrictions as 115
necessary to reduce the total number of regulatory restrictions 116
by thirty per cent, according to the following schedule: 117

(a) A ten per cent reduction not later than December 31, 118
2020; 119

(b) A twenty per cent reduction not later than December 120
31, 2021; and 121

(c) The thirty per cent reduction not later than December 122
31, 2022. 123

When a reduction of any percentage in regulatory 124
restrictions, whether or not as specified, has been achieved, 125
the state agency may not adopt or maintain regulatory 126
restrictions that would negate the reduction. 127

(2) If a specified percentage reduction has not been 128
achieved according to the schedule, the state agency may not 129
adopt a new regulatory restriction unless it simultaneously 130

removes two or more other existing regulatory restrictions, 131
until the specified thirty per cent reduction has been achieved. 132
The state agency may not fulfill this requirement by merging two 133
or more existing regulatory restrictions into a single surviving 134
regulatory restriction. 135

(3) The state agency is encouraged to continue to reduce 136
regulatory restrictions after the specified thirty per cent 137
reduction has been achieved. 138

(B) Not later than March 15, 2021, and annually 139
thereafter, the state agency shall prepare an historical report 140
of its progress in complying with the specified percentage 141
reductions in regulatory restrictions over the preceding year 142
under divisions (A) (1) and (2) of this section. The state agency 143
shall include a revised inventory of regulatory restrictions 144
with the report. 145

In the revised inventory, in addition to the information 146
required by section 121.93 of the Revised Code, the state agency 147
shall compute the net reduction in regulatory restrictions by 148
adding the number of regulatory restrictions carried forward 149
from the previous inventory to the number of regulatory 150
restrictions added since the previous inventory, and then 151
subtracting from the sum of the carried over and new regulatory 152
restrictions the number of regulatory restrictions eliminated 153
since the previous inventory. The state agency then shall 154
subtract the net reduction from the number of regulatory 155
restrictions in the base inventory, and divide the result by the 156
number of regulatory restrictions in the base inventory to 157
determine the percentage reduction in regulatory restrictions. 158

The state agency shall transmit the report electronically 159
to the joint committee on agency rule review and to the general 160

assembly under section 101.68 of the Revised Code. The state 161
agency shall continue preparing and transmitting a report until 162
it has reported that it has achieved the specified thirty per 163
cent reduction in regulatory restrictions. 164

Sec. 121.932. The state is limited in the number of 165
regulatory restrictions that may be effective at any one time to 166
a number that is seventy per cent of the aggregate total of 167
regulatory restrictions identified by all state agencies in the 168
base inventories prepared under section 121.93 of the Revised 169
Code. A state agency may not adopt a rule if by adopting the 170
rule the state agency will cause the number of regulatory 171
restrictions to exceed the state limit. 172

Section 2. That existing section 106.03 of the Revised 173
Code is hereby repealed. 174