# Executive Order 2012-03

## State Regulatory Review, Moratorium and Streamlining To Promote Job Creation and Retention

**WHEREAS,** my first official action as Governor was to institute a regulatory rule making review and moratorium process ("regulatory review and moratorium") in order to prevent any additional burdens on Arizona's private sector employers and political subdivisions; and

**WHEREAS,** this rule making review and moratorium process has continued by session law or executive order to this day; and

**WHEREAS,** a predictable regulatory climate in this State will promote job creation and retention; and

**WHEREAS,** Arizona's efforts are being rewarded, such as being ranked as one of the top ten best states for business in a survey of chief executive officers this year, the eighth best for job growth in the last year, and the top state for innovators starting new business; and

**WHEREAS,** last January, I determined that State agencies needed to quicken the pace on streamlining existing rules and reducing wasted time in regulatory processes to increase Arizona's economic competitiveness and job creation, while still protecting public health, safety and the environment; and

**WHEREAS,** the 50th Legislature passed and I signed into law House Bill 2744 (2012 Arizona Laws, Chapter 352) which permits a state agency to conduct expedited rulemaking to streamline existing rules; and

**WHEREAS,** this expedited rulemaking authority will be used, in part, by State agencies to implement the "lean" waste reduction initiative I announced last January to increase the efficiency and service quality of State agencies; and

**WHEREAS,** I encourage the general public and regulated community to bring forward ideas to State agencies and the Governor's Regulatory Review Council on what rules need to be streamlined and how that can be best achieved while still protecting public health, safety and the environment; and

**WHEREAS,** the current regulatory review and moratorium expires on June 30, 2012.

**NOW, THEREFORE, I,** Janice K. Brewer, Governor of the State of Arizona, by virtue of the authority vested in me by the Constitution and laws of this State hereby declare the following:

1. A state agency, subject to this Order pursuant to Paragraph 4, shall not conduct any rule making except as permitted by this Order. The objective of this Order is to eliminate any unnecessary increased monetary or regulatory costs on employers, persons, individuals, other state agencies, or political subdivisions of this State. This prohibition includes any informal rule making prior to the commencement of the formal rule making process.
2. Paragraph 1 does not apply to state agency rule making for any one or more of the following reasons:
   a. To fulfill an objective related to job creation in this State.
   b. To lessen or ease a regulatory burden while achieving the same regulatory objective.
   c. To prevent a significant threat to the public health, peace or safety.
   d. To avoid a violation of a court order or federal law that would result in sanctions by a court or federal government against an agency for failure to conduct the rulemaking action.

e. To comply with a federal statutory or regulatory requirement or a state statutory requirement if the applicable statute or regulation contains a date certain for compliance on or before December 31, 2014 or is necessary under subparagraph (c) of this paragraph.
f. To fulfill an obligation related to fees or any other action necessary to implement the state budget that is certified by the Governor's Office of Strategic Planning and Budgeting.
g. To promulgate a rule or other item that is exempt from Title 41, Chapter 6, Arizona Revised Statues, pursuant to section 41-1005, Arizona Revised Statutes.
h. To address matters pertaining to the control, mitigation or eradication of waste, fraud or abuse within a state agency or wasteful, fraudulent or abusive activities perpetrated against a state agency.

3. A state agency, subject to this Order pursuant to Paragraph 4, shall not conduct any informal or formal rule making pursuant to Paragraph 2 or otherwise without the prior written approval of the Office of the Governor.
4. This order applies to all state agencies, except for: (a) any state agency that is headed by a single elected state official, (b) the Corporation Commission, or (c) any state agency whose agency head is not appointed by the Governor.
5. All state officials and state agencies that are not subject to this Order pursuant to Paragraph 4 are encouraged to participate voluntarily within the context of their own rule making process.
6. State agencies may continue a rule making that was authorized by the Office of the Governor on or after January 22, 2009. All state agencies, subject to this Order pursuant to Paragraph 4, shall report to the office of the Governor by July 31, 2012 all pending and anticipated rule making requests. Beginning fiscal year 2013 all state agencies shall submit to the Office of the Governor by the end of each fiscal year an annual report of all pending and anticipated rule making to Office of the Governor.
7. This Order does not confer any legal rights upon any persons and shall not be used as a basis for legal challenges to rules, approvals, permits, licenses or other actions or to any inaction of a state agency.
8. For the purposes of this executive order, "person," "rule" and "rule making" have the same meanings prescribed in section 41-1001, Arizona Revised Statutes.
9. This Executive Order expires on December 31, 2014.

**IN WITNESS WHEREOF**, I have hereunto set my hand and caused to be affixed the Great Seal of the State of Arizona.

Janice K. Brewer

**GOVERNOR**

**DONE** at the Capital in Phoenix, Arizona this 26th day of June in the Year Two Thousand Twelve and of the Independence of the United States of America the Two Hundred and Thirty-Sixth.

**ATTEST:** Ken Bennett

**SECRETARY OF STATE**