

Approved 3-24-87  
Date

MINUTES OF THE SENATE COMMITTEE ON ECONOMIC DEVELOPMENT

The meeting was called to order by Senator Wint Winter, Jr. at  
Chairperson

12:40 a.m./p.m. on March 17, 1987 in room 529-S of the Capitol.

All members were present except: Senator F. Kerr - Excused

Committee staff present:

Arden Ensley, Revisor of Statutes  
Lynne Holt, Legislative Research Department  
Mary Allen, Secretary to the Committee

Conferees appearing before the committee:

Dr. Charles Krider, Institute for Public Policy and Business Research  
Judy Krueger, Small Business Administration  
David Barclay, Department of Commerce

The meeting was called to order at 12:40 p.m. by the Chairman, Senator Wint Winter, Jr..

The Chairman called on Dr. Charles Krider, Institute for Public Policy and Business Research, to discuss the impact of state regulations on economic development.

Dr. Krider called the attention of the Committee to Recommendation No. 50 in the Kansas Economic Development Study of 1986, which called for the incorporation of cost benefit considerations in the formation of regulations and the review of regulations by an independent commission to see if the impact upon business and economic development is worth the benefits to be achieved by those regulations. He referred to a copy of a report done by Kathleen Bryant of his staff entitled "The Regulatory Review Process and Business Impact Analysis - Designing a Model Program for Kansas, Inc." which had been previously provided to Committee members. He said that this report contains information concerning what is happening in the federal government and in other states in this area of regulatory review.

Dr. Krider noted that the essential problem is that regulatory bodies at the state level have as their focus their particular concern such as protection of the environment or protection of the labor force. That focus may not incorporate the explicit impact of the cost of regulations on businesses. They may not give sufficient weight to the costs that are imposed upon a business, specifically the concern that these costs may exceed the benefits in some cases. He observed that, in a rough sense, it is possible to make an assessment of the cost of a regulation as opposed to the benefits which can be achieved by the state or society as a whole. He said that another concern is that even if the costs of regulations are appropriate, it may be possible to impose that regulation in such a way as to minimize the cost while still achieving the benefits of the regulation.

Dr. Krider observed that in Kansas our regulations are imposing excessive costs on businesses which will lessen the competitiveness of our firms with those in other states. He said that it may be appropriate to look at the regulatory impact as a whole on business to see if those costs: (1.) are worth it in terms of benefits being obtained and (2.) can be minimized in some alternative way. He pointed out that the regulations being imposed in Kansas are being done so in a rather uncoordinated manner. There is no overview of the regulations and their total impact, but rather each agency imposes its regulations without consideration for what other agencies are doing. The total impact, therefore, may be greater than that considered by any single agency.

Dr. Krider stated that Recommendation No. 50 has two parts: (1.) To have regulatory bodies in the state incorporate economic impact statements on how their regulations effect economic development. In those cases where it is already required in the statutes, it should be given greater weight in the regulatory process than in the past. There should be an explicit statement that the cost or economic impact on businesses be considered by regulatory

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

## CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ECONOMIC DEVELOPMENT,  
room 529-S, Statehouse, at 12:40 a.m./p.m. on March 17, 1987

bodies. (2.) To have regulations reviewed by an independent body prior to their implementation in order to avoid having inappropriate or unnecessary regulations enacted which impede economic development. He said that the initial thought was to have that review body be Kansas, Inc.. He stated that he and Dr. Redwood are now persuaded that Kansas, Inc. is probably not the appropriate body to conduct those reviews.

Dr. Krider stated that the areas particularly thought of for review include transportation, health and safety, telecommunications, utilities, securities and banking, and environment and health. These are the agencies which may have regulations with an impact on business. He listed two advantages of this recommendation to consider: (1.) To force regulators to explicitly consider the impact on business of their regulations in a cost benefit viewpoint; and (2.) To have the regulatory review body with the authority to reject regulations where the costs exceed the benefits, where the impact on business in an economic development perspective is so great it does not justify the benefits being sought by the regulatory body.

Senator D. Kerr asked if Dr. Krider has a new recommendation for the composition of such a regulation review body. Dr. Krider stated that the body should still be an independent body, perhaps a Governor's Regulatory Review Body of some type. The body could be appointed by the Legislature and the Governor and should have at least one business person on it. The body would consist of volunteers or part time people and the staff work would be done by the Department of Commerce or some agency in that Department. When economic development statements would come in to the review body, they would go to the Department of Commerce for staff work and then the review commission, as a policy group, would look at them and make the decisions.

A discussion was held concerning whether or not this kind of regulation review could possibly be unconstitutional. Senator Hayden observed that there was an Attorney General's opinion several years ago to the effect that the Legislature could not by resolution change the rules and regulations of agencies. Senator Salisbury pointed out that the Legislature can pass a law which will in fact impede economic development whether or not it authorizes the regulatory agencies to adopt regulations and frequently it defines the parameters in which they may do that and frequently the Legislature does not. She noted that present statute says that any regulatory body must take into consideration the impact on small business before adopting rules and regulations. One of the requirements in adopting rules and regulations is that the agency must provide a fiscal impact statement, both on the public and private sectors. She noted that the Joint Committee on Administrative Rules and Regulations' review of regulations is done more in terms of compliance with the statutes than in terms of impact on economic development or on any other sector of our society.

Dr. Krider said that where the agencies have discretion in enacting regulations to implement legislation, there should be an intervention by a body to see that as those regulations are adopted, the economic impact of them on businesses must be taken into account. The cost relative to the benefits must be minimized. Senator Feleciano observed that this type of body, looking at the best interests of business, would shackle the hands of the agencies in state government to implement that which they are entrusted to do by the passage of laws. He feels that information concerning economic impact should be presented to the appropriate Legislative Committee before a bill is enacted into law.

Dr. Krider stated that the idea of a regulatory review commission has been implemented in other states as well as at the federal level since the late 1970's. All federal regulations must go to the Office of Management and Budget for an economic impact analysis and statement. They have the authority to return the regulation to the agency for revision or reconsideration. He noted that Kentucky, Maine and Arizona are doing this at the state level. He feels that the Arizona model or statute is probably the most appropriate starting point for Kansas. (Attachment I) He discussed the provisions of the Arizona statute concerning its Governor's Regulatory Review Council.

Lynne Holt, Legislative Research Department, told the Committee that the Arizona Regulatory Review Council is funded in the executive division of the budget. She noted that this Council hired a person in January for \$12,800.00 to staff this Council. The Council's total budget for the fiscal year, including staff and per diem for its members, is \$25,700.00. She said that the Council started in 1981, under Executive Order, but as of August of 1986, it has been statutorily mandated. The Council is asking for \$35,400.00 for FY 1988 from the state general fund.

CONTINUATION SHEET

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room 529-S, Statehouse, at 12:40 ~~a.m.~~/p.m. on March 17, 1987.

Judy Krueger, Small Business Administration, discussed the review of federal regulations by the Office of Management and Budget for economic impact. She noted that the Office of Advocacy at the federal level monitors federal compliance with the Regulatory Flexibility Act and has the ability to ask federal agencies to either amend or eliminate certain rules and regulations which make it impossible for small businesses to stay in business.

David Barclay, Department of Commerce, noted that review of rules and regulations for economic impact would be a very large task. He said that the staff would need to have very capable people on it and that they could not be entry level people.

Senator Salisbury moved that an Interim Committee be directed to study the issue of the regulatory review process with respect to the impact of regulations on private sector economic activities and to consider this study within the broader context of a comprehensive Legislative review of the rules and regulations process. Senator Karr seconded the motion. The motion carried.

Senator D. Kerr moved that the minutes of the March 10, 1987, meeting of the Committee be approved. Senator Daniels seconded the motion. The motion carried.

The meeting was adjourned by the Chairman at 1:35 p.m..

GUEST LIST

NAME

REPRESENTING

Bob Radcliffe

Observer

Alvie PRICE

Topeka

Judy Krueger

SBA - Kansas City

CHARLES E KRISHN

KU

Tom Whitaker

KMCA

MARY TURKINGTON

KMCA

David Bowley

DOZ

SEAN KEENE

Nicole Bakerink

Brett Berry

w/Sen. Salisbury

Appendix III

Arizona Legislation

Establishing the Governor's Regulatory Review Council

August 1986

*Senate Committee on Economic Development*

*3-17-87*

*Attachment #*

1 D. IF THE ATTORNEY GENERAL DETERMINES THAT THE RULE DOES NOT COMPLY  
 2 WITH SUBSECTION A OF THIS SECTION OR IF THE RULE IS ADOPTED AS AN EMERGENCY  
 3 MEASURE AND DOES NOT COMPLY WITH SUBSECTIONS A AND B OF THIS SECTION, HE  
 4 SHALL ENDORSE HIS REJECTION OF CERTIFICATION ON EACH COPY OF THE RULE,  
 5 STATE THE REASONS FOR REJECTION OF CERTIFICATION AND RETURN THE COPIES OF  
 6 THE RULE AND THE STATEMENT OF REASONS FOR REJECTION TO THE AGENCY THAT  
 7 PROPOSED THE RULE WITHIN NINETY DAYS AFTER HIS RECEIPT OF THE PROPOSED  
 8 RULE.

9 E. AN AGENCY MAY WITHDRAW A PROPOSED RULE AT ANY TIME BEFORE ITS  
 10 ADOPTION. NOTICE OF THE WITHDRAWAL SHALL BE PUBLISHED IN THE REGISTER. TO  
 11 ADOPT A PROPOSED RULE AFTER IT IS WITHDRAWN AND THE WITHDRAWAL IS PUBLISHED  
 12 IN THE REGISTER, THE AGENCY MUST FILE A NOTICE WITH THE SECRETARY OF STATE  
 13 AS PROVIDED IN SECTION 41-1022.

14 ARTICLE 5. GOVERNOR'S REGULATORY REVIEW COUNCIL

15 41-1051. Governor's regulatory review council; membership;  
 16 terms; compensation; powers

17 A. A GOVERNOR'S REGULATORY REVIEW COUNCIL IS ESTABLISHED WHICH  
 18 CONSISTS OF SIX MEMBERS APPOINTED BY THE GOVERNOR WHO SERVE AT THE PLEASURE  
 19 OF THE GOVERNOR, AND THE DIRECTOR OF THE DEPARTMENT OF ADMINISTRATION IS AN  
 20 EX OFFICIO MEMBER AND CHAIRMAN OF THE COUNCIL. THE GOVERNOR SHALL APPOINT  
 21 AT LEAST ONE MEMBER WHO REPRESENTS PUBLIC INTEREST, AT LEAST ONE MEMBER WHO  
 22 REPRESENTS THE BUSINESS COMMUNITY, ONE MEMBER FROM A LIST OF THREE PERSONS  
 23 WHO ARE NOT LEGISLATORS SUBMITTED BY THE PRESIDENT OF THE SENATE AND ONE  
 24 MEMBER FROM A LIST OF THREE PERSONS WHO ARE NOT LEGISLATORS SUBMITTED BY  
 25 THE SPEAKER OF THE HOUSE OF REPRESENTATIVES. THE GOVERNOR SHALL APPOINT  
 26 THE MEMBERS OF THE COUNCIL FOR STAGGERED TERMS OF THREE YEARS. A VACANCY  
 27 OCCURRING DURING THE TERM OF OFFICE OF ANY MEMBER SHALL BE FILLED BY  
 28 APPOINTMENT BY THE GOVERNOR FOR THE UNEXPIRED PORTION OF THE TERM IN THE  
 29 SAME MANNER AS PROVIDED IN THIS SECTION.

30 B. MEMBERS OF THE COUNCIL ARE ELIGIBLE TO RECEIVE COMPENSATION IN  
 31 AN AMOUNT OF ONE HUNDRED DOLLARS A DAY AND REIMBURSEMENT OF EXPENSES  
 32 PURSUANT TO TITLE 38, CHAPTER 4, ARTICLE 2.

33 C. THE COUNCIL MAY PROMULGATE RULES PURSUANT TO THIS CHAPTER TO  
 34 CARRY OUT THE PURPOSES OF THIS CHAPTER.

35 41-1052. Council review and approval

36 A. BEFORE FILING A PROPOSED RULE WITH THE SECRETARY OF STATE, AN  
 37 AGENCY SHALL PREPARE, TRANSMIT TO THE COUNCIL AND OBTAIN THE COUNCIL'S  
 38 APPROVAL OF THE PROPOSED RULE, AN ECONOMIC IMPACT STATEMENT WHICH MEETS THE  
 39 REQUIREMENTS OF SECTION 41-1053 AND A STATEMENT OF THE EFFECT OF THE RULE  
 40 ON SMALL BUSINESS WHICH MEETS THE REQUIREMENTS OF SECTION 41-1053.

41 B. THE COUNCIL SHALL REVIEW AND APPROVE OR RETURN, IN WHOLE OR IN  
 42 PART, THE PROPOSED RULE, THE ECONOMIC IMPACT STATEMENT AND THE STATEMENT OF  
 43 THE EFFECT OF THE RULE ON SMALL BUSINESS. AN AGENCY MAY RESUBMIT A RULE,  
 44 AN ECONOMIC IMPACT STATEMENT OR A STATEMENT OF THE EFFECT OF THE RULE ON  
 45 SMALL BUSINESS IF THE COUNCIL RETURNS THE RULE, THE ECONOMIC IMPACT  
 46 STATEMENT OR THE STATEMENT OF THE EFFECT OF THE RULE ON SMALL BUSINESS, IN  
 47 WHOLE OR IN PART, TO THE AGENCY.

48 C. THE COUNCIL SHALL NOT APPROVE THE PROPOSED RULE UNLESS:

1 1. THE ECONOMIC IMPACT STATEMENT AND THE STATEMENT OF THE EFFECT OF  
2 THE RULE ON SMALL BUSINESS CONTAINS THE INFORMATION, DATA AND ANALYSIS  
3 PRESCRIBED BY THIS ARTICLE.

4 2. THE ECONOMIC IMPACT STATEMENT AND THE STATEMENT OF THE EFFECT OF  
5 THE RULE ON SMALL BUSINESS ARE GENERALLY ACCURATE.

6 3. THE PROBABLE BENEFITS OF THE RULE OUTWEIGH THE PROBABLE COSTS OF  
7 THE RULE.

8 4. THE RULE IS CLEAR, CONCISE AND UNDERSTANDABLE.

9 D. THE COUNCIL MAY REQUIRE A REPRESENTATIVE OF AN AGENCY WHOSE  
10 PROPOSED RULE IS UNDER EXAMINATION TO ATTEND A COUNCIL MEETING AND ANSWER  
11 QUESTIONS. THE COUNCIL MAY ALSO COMMUNICATE TO THE AGENCY ITS COMMENTS ON  
12 ANY PROPOSED RULE, ECONOMIC IMPACT STATEMENT OR STATEMENT OF THE EFFECT OF  
13 A RULE ON SMALL BUSINESS AND REQUIRE THE AGENCY TO RESPOND TO ITS COMMENTS  
14 IN WRITING.

15 E. A PERSON MAY SUBMIT WRITTEN COMMENTS TO THE COUNCIL RELATING TO A  
16 RULE WHICH IS RELEVANT TO THE COUNCIL'S POWER TO REVIEW THAT RULE. THE  
17 COUNCIL MAY PERMIT ORAL COMMENTS AT A COUNCIL MEETING RELATING TO A RULE  
18 UNDER REVIEW WHICH ARE RELEVANT TO THE COUNCIL'S POWER TO REVIEW THAT  
19 RULE.

20 F. IF THE AGENCY MAKES A GOOD FAITH EFFORT TO COMPLY WITH THE  
21 REQUIREMENTS PRESCRIBED IN THIS ARTICLE, THE RULE MAY NOT BE INVALIDATED  
22 SUBSEQUENT TO ITS ADOPTION ON THE GROUND THAT THE CONTENTS OF THE ECONOMIC  
23 IMPACT STATEMENT OR THE STATEMENT OF THE EFFECT OF THE RULE ON SMALL  
24 BUSINESS ARE INSUFFICIENT OR INACCURATE OR ON THE GROUND THAT THE COUNCIL  
25 ERRONEOUSLY APPROVED THE RULE.

26 41-1053. Economic impact statement; small business statement

27 A. THE ECONOMIC IMPACT STATEMENT SHALL CONTAIN:

28 1. A BRIEF DESCRIPTION OF THE PROPOSED RULE AND ITS PURPOSES.

29 2. A BRIEF EXPLANATION OF THE NEED FOR THE RULE AND WHAT THE RULE  
30 WILL LIKELY ACCOMPLISH.

31 3. A DESCRIPTION OF THE CLASSES OF PERSONS WHO WILL BE AFFECTED BY  
32 THE PROPOSED RULE, INCLUDING CLASSES THAT WILL DIRECTLY OR INDIRECTLY BEAR  
33 THE COSTS OF THE PROPOSED RULE AND CLASSES THAT WILL DIRECTLY OR INDIRECTLY  
34 BENEFIT FROM THE PROPOSED RULE.

35 4. A DESCRIPTION OF THE PROBABLE QUANTITATIVE AND QUALITATIVE  
36 IMPACT OF THE PROPOSED RULE, ECONOMIC OR OTHERWISE, ON AFFECTED CLASSES OF  
37 PERSONS.

38 5. THE PROBABLE COSTS AND BENEFITS, DIRECT AND INDIRECT, TO THE  
39 AGENCY AND TO ANY OTHER AGENCY OF THE IMPLEMENTATION AND ENFORCEMENT OF THE  
40 PROPOSED RULE AND ANY ANTICIPATED EFFECT ON STATE REVENUES.

41 6. THE PROBABLE COSTS AND BENEFITS, DIRECT AND INDIRECT, TO A  
42 POLITICAL SUBDIVISION OF THIS STATE OF THE IMPLEMENTATION AND ENFORCEMENT  
43 OF THE PROPOSED RULE AND ANY ANTICIPATED EFFECT ON THE REVENUES OF THE  
44 POLITICAL SUBDIVISION.

45 7. THE PROBABLE COSTS AND BENEFITS, DIRECT AND INDIRECT, TO PRIVATE  
46 PERSONS OF THE IMPLEMENTATION AND ENFORCEMENT OF THE PROPOSED RULE.

47 8. THE PROBABLE COSTS AND BENEFITS, DIRECT AND INDIRECT, TO  
48 CONSUMERS OR USERS OF ANY PRODUCT OR SERVICE OF THE IMPLEMENTATION AND  
49 ENFORCEMENT OF THE PROPOSED RULE.

1 9. A DETERMINATION OF WHETHER THERE ARE LESS COSTLY METHODS OR LESS  
2 INTRUSIVE METHODS FOR ACHIEVING THE PURPOSE OF THE PROPOSED RULE.

3 10. A DESCRIPTION OF ANY ALTERNATIVE METHODS FOR ACHIEVING THE  
4 PURPOSE OF THE PROPOSED RULE THAT WERE SERIOUSLY CONSIDERED BY THE AGENCY  
5 AND THE REASONS WHY THEY WERE REJECTED IN FAVOR OF THE PROPOSED RULE.

6 11. SUCH OTHER INFORMATION AS THE COUNCIL MAY REQUIRE.

7 B. THE STATEMENT OF THE EFFECT OF A RULE ON SMALL BUSINESS SHALL  
8 CONTAIN:

9 1. A DESCRIPTION OF SMALL BUSINESSES SUBJECT TO THE PROPOSED RULE.

10 2. THE PROPOSED PROFESSIONAL SKILLS AND REPORTING, BOOKKEEPING AND  
11 OTHER PROCEDURES REQUIRED FOR COMPLIANCE WITH THE PROPOSED RULE.

12 3. A DESCRIPTION OF METHODS THAT THE AGENCY WILL USE TO REDUCE THE  
13 IMPACT OF THE PROPOSED RULE ON SMALL BUSINESSES, INCLUDING THE FOLLOWING  
14 METHODS:

15 (a) ESTABLISH LESS STRINGENT COMPLIANCE OR REPORTING REQUIREMENTS  
16 IN THE RULE FOR SMALL BUSINESSES.

17 (b) ESTABLISH LESS STRINGENT SCHEDULES OR DEADLINES IN THE RULE FOR  
18 COMPLIANCE OR REPORTING REQUIREMENTS FOR SMALL BUSINESSES.

19 (c) CONSOLIDATE OR SIMPLIFY THE RULE'S COMPLIANCE OR REPORTING  
20 REQUIREMENTS FOR SMALL BUSINESSES.

21 (d) ESTABLISH PERFORMANCE STANDARDS FOR SMALL BUSINESSES TO REPLACE  
22 DESIGN OR OPERATIONAL STANDARDS IN THE RULE.

23 (e) EXEMPT SMALL BUSINESSES FROM ANY OR ALL REQUIREMENTS OF THE  
24 RULE.

25 4. A STATEMENT THAT NONE OF THE METHODS SPECIFIED IN PARAGRAPH 3 OF  
26 THIS SUBSECTION IS FEASIBLE OR LEGAL, IF THAT IS THE CASE.

27 41-1054. Review by agency

28 A. AT LEAST ONCE EVERY FIVE YEARS, EACH AGENCY SHALL REVIEW ALL OF  
29 ITS RULES TO DETERMINE WHETHER ANY RULE SHOULD BE AMENDED OR REPEALED. THE  
30 AGENCY SHALL PREPARE A WRITTEN REPORT TO THE COUNCIL SUMMARIZING ITS  
31 FINDINGS, ITS SUPPORTING REASONS AND ANY PROPOSED COURSE OF ACTION. FOR  
32 EACH RULE, THE REPORT SHALL INCLUDE A CONCISE ANALYSIS OF ALL OF THE  
33 FOLLOWING:

34 1. THE RULE'S EFFECTIVENESS IN ACHIEVING ITS OBJECTIVES, INCLUDING  
35 A SUMMARY OF ANY AVAILABLE DATA SUPPORTING THE CONCLUSIONS REACHED.

36 2. WRITTEN CRITICISMS OF THE RULE RECEIVED DURING THE PREVIOUS FIVE  
37 YEARS.

38 3. AUTHORIZATION OF THE RULE BY EXISTING STATUTES.

39 4. WHETHER THE RULE IS CONSISTENT WITH OTHER RULES PROMULGATED BY  
40 THE AGENCY, CURRENT AGENCY ENFORCEMENT POLICY AND CURRENT AGENCY VIEWS  
41 REGARDING THE WISDOM OF THE RULE.

42 5. THE CLARITY, CONCISENESS AND UNDERSTANDABILITY OF THE RULE.

43 B. THE COUNCIL SHALL SCHEDULE THE PERIODIC REVIEW OF EACH AGENCY'S  
44 RULES AND CONDUCT THE REVIEW IN COOPERATION WITH THE AGENCY.

45 41-1055. Exemptions

46 IN ADDITION TO THE EXEMPTIONS STATED IN SECTION 41-1005, THIS  
47 ARTICLE DOES NOT APPLY TO:



1 1. AN AGENCY WHICH IS A UNIT OF STATE GOVERNMENT HEADED BY A SINGLE  
2 ELECTED OFFICIAL.

3 2. THE CORPORATION COMMISSION, WHICH SHALL ADOPT SUBSTANTIALLY  
4 SIMILAR RULE REVIEW PROCEDURES, INCLUDING THE PREPARATION OF AN ECONOMIC  
5 IMPACT STATEMENT AND A STATEMENT OF THE EFFECT OF THE RULE ON SMALL  
6 BUSINESS.

7 3. THE STATE BOARD OF DIRECTORS FOR COMMUNITY COLLEGES.

8 4. THE STATE BOARD OF EDUCATION.

9 ARTICLE 6. ADJUDICATIVE PROCEEDINGS

10 Sec. 6. Section 3-148, Arizona Revised Statutes, is amended to  
11 read:

12 3-148. Grounds for denial, suspension or revocation  
13 of a certificate

14 The commission may refuse to grant or renew a certificate or MAY  
15 suspend or revoke a certificate if the commission has reasonable grounds to  
16 believe that the applicant or registrant is not in compliance with rules  
17 and ~~regulations~~ promulgated by the commission relating to the  
18 certification of laboratories pursuant to this article. The commission  
19 shall notify an applicant of the reasons for its action. An applicant is  
20 entitled to a hearing pursuant to title 41, chapter 6, ~~article 1~~ on the  
21 commission action in refusing to grant or renew a certificate or in  
22 suspending or revoking a certificate.

23 Sec. 7. Section 3-386, Arizona Revised Statutes, is amended to  
24 read:

25 3-386. Complaints; investigations; hearings;  
26 hearing officers

27 A. The board on its own motion may investigate any evidence of  
28 negligent or wilfully negligent use of pesticides or any evidence which may  
29 show the existence of any cause for disciplinary action.

30 B. The board shall investigate the written complaint of any person  
31 aggrieved by an application of pesticides or which may show the existence  
32 of any cause for disciplinary action.

33 C. If after the board completes its investigation it holds the  
34 opinion that negligent or wilfully negligent use of pesticides occurred or  
35 that any cause for disciplinary action exists it shall initiate formal  
36 proceedings pursuant to title 41, chapter 6, ~~article 1~~.

37 D. The board may employ hearing officers who shall conduct hearings  
38 on matters requested to be heard by the board and shall make  
39 recommendations to the board.

40 Sec. 8. Section 3-667, Arizona Revised Statutes, is amended to  
41 read:

42 3-667. Rules and orders; delegation of duties;  
43 regulation of interstate products

44 A. The dairy commissioner shall make and enforce all rules,  
45 ~~regulations~~ and orders that are necessary to carry out the purposes of this  
46 article, and that he determines are necessary to protect the public health  
47 and welfare, and to prevent deception or confusion among consumers. For  
48 labeling purposes only, the commissioner may divide into categories the  
49 various trade and real milk products as being fluid milk, manufactured milk  
50 or food-predominantly-milk products. Any duties vested in the