

RULES OF PROCEDURE

for

THE STATE AID STREET COMMITTEE

I.

STATEMENT OF ORGANIZATION AND OPERATIONS

The State Aid Street Committee is an agency of state government created by Acts 2011, No. 1032, A.C.A. § 27-72-413 as defined by A.C.A. § 25-15-202(2)(A). The legislature has delegated to the Committee regulatory authority over the awarding of grants to municipalities from the State Aid Street Fund. Ultimate authority for the operation of the agency is in the Committee. The individual charged with the day-to-day operations is referred to as Chairman, who is selected by the Committee. From time to time, the Committee may promulgate rules.

II.

INFORMATION FOR PUBLIC GUIDANCE

The Committee makes available a list of persons holding certain responsibilities for handling FOIA requests so that the public may obtain information about the Committee or make submissions or requests. The names, mailing addresses, telephone numbers, and electronic addresses can be obtained from the Assistant to the Executive Director, Arkansas Municipal League, P. O. Box 38, North Little Rock, AR 72115-0038. Phone: 501-374-3484.

The Committee and the State Aid Division of the Arkansas State Highway and Transportation Department have a list of official forms used by the Committee and a list of all formal, written statements of policy and written interpretative memoranda, and orders, decisions and opinions, which may be obtained for the Committee.

Copies of all forms used by the Committee, written statements of policy and written interpretive memoranda, and all grants issued by the Committee may be obtained from the Assistant to the Executive Director, Arkansas Municipal League or the State Aid Engineer, State Aid Division of the Arkansas Highway and Transportation Department, 10324 Interstate 30, P. O. Box 2261, Little Rock, AR 72203-2261. Phone: 501-569-2346.

III.

GENERAL ORGANIZATION

A. The initial officers of the Committee will be Mayor Mike Gaskill of Paragould, Chairman and Mayor Jerry Boen of Lamar, Vice-Chairman. Election of officers will held annually at the Committee's first meeting in January of each year. These officers shall perform the duties prescribed by applicable law, this rule, and the parliamentary authority adopted by the Committee.

B. The business of the Committee will be conducted in public meetings pursuant to Robert's Rules of Order. All meetings will be conducted in conformity with the Arkansas Freedom of Information Act. Regular meetings will be held quarterly. Special meetings will be held on the call of the Chairman or Vice-Chairman. For purposes of initially considering the recommendation of a project to the State Aid Division and for reconsideration of the approval of a project if the final estimate or bid exceeds ten (10) percent of the authorized amount, the members of the Committee may communicate approval or disapproval by way of email or fax.

C. A quorum for the transaction of business is a majority of the members entitled to vote.

D. The Committee may create standing and ad hoc committees. The Committee Chairman will select members of committees. A quorum for the transaction of committee business is a majority of the number of voting members of the committee.

E. The Committee will prepare the agenda for regular and special meetings. The agenda will be distributed to Committee members and made available to the public in advance of the meeting. The agenda should state with specificity the items that will be considered at a meeting or workshop. The agenda should include the following topics as applicable:

1. The call to order;
2. Review of minutes;
3. Old business;
4. New business;
5. Other business;
6. Rule-making hearings; and
7. Public comment.

The order of the agenda items is intended to be flexible and may be adjusted to meet the needs of the Committee. Additionally, the agenda may be amended by appropriate motion.

IV.

RULE-MAKING

A. AUTHORITY

The Committee, subject to the rule making authority of the State Aid Engineer pursuant to A.C.A. § 27-72-405, has been authorized by the Legislature to promulgate rules. A.C.A. § 27-72-413(d). The Committee follows the procedural requirements of the Arkansas Administrative Procedure Act, in particular A.C.A. § 25-15-203 and § 25-15-204. Additionally, the Committee is required to abide by the provisions of A.C.A. § 10-3-309.

B. INITIATION OF RULE-MAKING

The process of adopting a new rule or amending or repealing an existing rule (hereinafter referred to “rule-making”) may be initiated by request of the Committee or third parties outside the Committee may petition for the issuance, amendment, or repeal of any rule.

C. PETITION TO INITIATE RULE-MAKING

Third parties may initiate rule-making to adopt, amend, or repeal a rule by filing a petition with the Committee to initiate rule-making. The petition must contain the name, address, and telephone number of the petitioner, the specific rule or action requested, the reasons for the rule or action requested, and facts showing that the petitioner is regulated by the Committee or has a substantial interest in the rule or action requested.

The petition to initiate rule-making shall be filed with the Committee in care of the Assistant to the Executive Director, Arkansas Municipal League with a copy to the State Aid Engineer, State Aid Division of the Arkansas Highway and Transportation Department.

Within thirty (30) days after submission of the petition, the Committee will either deny the petition, stating its reasons in writing, or will initiate rule-making. A special meeting will be called if necessary to meet this time frame.

D. PRE-FILING WITH THE BUREAU OF LEGISLATIVE RESEARCH

Thirty (30) days before the public-comment period ends, the Committee will file with the Bureau of Legislative Research the text of the proposed rule or amendment as well as a financial impact statement and a Bureau of Legislative Research questionnaire as provided by A.C.A. § 10-3-309.

E. PUBLIC INPUT

1. Before finalizing language of a proposed new rule or an amendment to, or repeal of, an existing rule, the Committee will receive public input through written comments and/or oral submissions. The Committee will designate in its public notice the format and timing of public comment.

2. Any public hearing will provide affected persons and other members of the public a reasonable opportunity for presentation of evidence, arguments, and oral statements within reasonable conditions and limitations imposed by the Committee to avoid duplication, irrelevant comments, unnecessary delay, or disruption of the proceedings.

3. The Committee chair, any member of the Committee, or any person designated by the Committee may preside at the public hearing. The Committee must ensure that the personnel responsible for preparing the proposed rule or amendment are available, and will notify third parties initiating rule changes to be available to explain the proposal and to respond to questions or comments regarding the proposed rule.

4. The Committee must preserve the comments made at the public hearing by a certified court reporter or by recording instruments.

5. Any person may submit written statements within the specified period of time. All timely, written statements will be considered by the Committee and be made a part of the rule-making record.

F. NOTICE OF RULE-MAKING

The Committee will give notice of proposed rule-making to be published pursuant to A.C.A. § 25-15-204. The notice will set any written comment period and will specify the time, date, and place of any public hearing.

G. THE DECISION TO ADOPT A RULE

1. The Committee will not finalize language of the rule or decide whether to adopt a rule until the period for public comment has expired.

2. Before acting on a proposed rule, the Committee will consider all of the written submissions and/or oral submissions received in the rule-making proceeding or any memorandum summarizing such oral submissions, and any regulatory analysis or fiscal impact statement issued in the rule-making proceedings.

3. The Committee may use its own experience, specialized knowledge, and judgment in the adoption of a rule.

H. VARIANCE BETWEEN ADOPTED RULE AND PUBLISHED NOTICE OF PROPOSED RULE

1. The Committee may not adopt a rule that differs from the rule proposed in the published notice of the intended rule-making on which the rule is based unless:

- a. The final rule is in character with the original scheme and was a logical outgrowth of the notice and comments stemming from the proposed rule, or
- b. The notice fairly apprised interested persons of the subject and the issues that would be considered so that those persons had an opportunity to comment.

2. In determining whether the final rule is in character with the original scheme and was a logical outgrowth of the notice and comments, and that the notice of intended rule-making provided fair warning that the outcome of that rule-making proceeding could be the rule in question, the Committee must consider the following factors:

- a. The extent to which persons who will be affected by the rule should have understood that the rule-making proceeding on which it is based could affect their interests; and
- b. The extent to which the subject matter of the rule or issues determined by the rule are different from the subject matter or issues contained in the notice of intended rule-making; and
- c. The extent to which the effects of the rule differ from the effects of the proposed rule contained in the notice of intended rule-making.

I. CONCISE STATEMENT OF REASONS

1. When requested by an interested person, either prior to the adoption of a rule or within thirty (30) days after its adoption, the Committee shall issue a concise statement of the principal reasons for and against its adoption of the rule. Requests for such a statement must be in writing and be delivered to the Committee in care of the Assistant to the Executive Director, Arkansas Municipal League with a copy to the State Aid Engineer, State Aid Division of the Arkansas Highway and Transportation Department. The request should indicate whether the statement is sought for all or only a specified

part of a rule. A request will be considered to have been submitted on the date on which it is received by the Assistant to the Executive Director, Arkansas Municipal League.

2. The concise statement of reasons must contain:

- a. The Committee's reasons for adopting the rule;
- b. An indication of any change between the text of the proposed rule and the text of the rule as finally adopted, with explanations for any such change; and
- c. The principal reasons urged in the rule-making procedure for and against the rule, and the Committee's reasons for overruling the arguments made against the rule.

J. CONTENTS

The Committee shall cause its rules to be published and made available to interested persons. The publication must include:

- 1. The text of the rule; and
- 2. A note containing the following:
 - (a) The date(s) the Committee adopted or amended the rule;
 - (b) The effective date(s) of the rule;
 - (c) Any findings required by any provisions of law as a prerequisite to adoption for effectiveness of the rule; and
 - (d) Citation to the entire specific statutory or other authority authorizing the adoption of the rule;
- 3. The publication of the rule(s) must state the date of publication.

K. FORMAT

The published rules of the Committee will be organized substantially in the following format:

- I. Statement of Organization and Operations
- II. Information for Public Guidance
- III. General Organization
- IV. Rule-making
- V. Emergency Rule-making
- VI. Declaratory Orders
- VII. Et seq. Substantive rules and other rules of the Committee.

L. INCORPORATION BY REFERENCE

By reference in a rule, the Committee may incorporate all or any part of a code, standard, rule, or other matter if the Committee finds that copying the matter in the Committee's rule would be unduly cumbersome, expensive, or otherwise inexpedient. The reference in the Committee rule must fully and precisely identify the incorporated matter by title, citation, date, and edition, if any; briefly indicate the precise subject and general contents of the incorporated matter; and state that the rule does not include any later amendments or editions of the incorporated matter. The Committee may incorporate such a matter by reference in a proposed or adopted rule only if the Committee makes copies of the incorporated matter readily available to the public. The rules must state how and where copies of the incorporated matter may be obtained at cost from the Committee, and how and where copies may be obtained from an agency of the United States, this state, another state, or the organization, association, or persons originally issuing that matter. The Committee must retain permanently a copy of any materials incorporated by reference in a rule of the Committee.

M. FILING

1. After the Committee formally adopts a new rule or amends a current rule or repeals an existing rule, and after the rule change has been reviewed by the Legislative Counsel, the Committee will file final copies of the rule with the Secretary of State, the Arkansas State Library, and the Bureau of Legislative Research, or as otherwise provided by A.C.A. § 25-15-204(d).

2. Proof of filing a copy of the rule, amendment, or repeal with the Secretary of State, the Arkansas State Library, and the Bureau of Legislative Research will be kept in a file maintained by the Committee.

3. Notice of the rule change will be posted on the Committee Web page. (if available)

V.

EMERGENCY RULE-MAKING

A. REQUEST FOR EMERGENCY RULE-MAKING

The proponent of a rule may request the Committee to adopt an emergency rule. In addition to the text of the proposed rule or amendment to an existing rule and any other information required by Rule IV (C), the proponent will provide a written statement setting out the facts or circumstances that would support a finding of imminent peril to the public health, safety, or welfare.

B. FINDING OF AN EMERGENCY

Upon receipt of the written statement requesting an emergency rule-making and documents or other evidence submitted in support of the assertion that an emergency exists, the Committee will make an independent judgment as to whether the circumstances and facts constitute an imminent peril to the public health, safety, or welfare requiring adoption of the rule upon fewer than 30 days notice. If the Committee determines that the circumstances warrant emergency rule-making, it will make a written determination that sets out the reasons for the Committee’s finding that an emergency exists. Upon making this finding, the Committee may proceed to adopt the rule without any prior notice or hearing, or it may determine to provide an abbreviated notice and hearing.

C. EFFECTIVE DATE OF EMERGENCY RULE

The emergency rule will be effective immediately upon filing, or at a stated time less than ten (10) days thereafter, if the Committee finds that this effective date is necessary because of imminent peril to the public health, safety, or welfare. The Committee will file with the rule its written findings justifying the determination that emergency rule-making is appropriate and, if applicable, the basis for the effective date of the emergency rule being less than ten days after the filing of the rule pursuant to A.C.A. § 25-15-204(e). The Committee will take appropriate measures to make emergency rules known to persons who may be affected by them.

VI.

DECLARATORY ORDERS

A. PURPOSE AND USE OF DECLARATORY ORDERS

A declaratory order is a means of resolving a controversy or answering questions or doubts concerning the applicability of statutory provisions, rules, or grants over which the Committee has authority. A petition for declaratory order may be used only to resolve questions or doubts as to how the statutes, rules, or grants may apply to the petitioner’s particular circumstances. A declaratory order is not the appropriate means for determining the conduct of another person or for obtaining a policy statement of general applicability from the Committee. A petition or declaratory order must describe the potential impact of statutes, rules, or grants upon the petitioner’s interests.

B. THE PETITION

The process to obtain a declaratory order is begun by filing with the Committee in care of the Assistant to the Executive Director, Arkansas Municipal League, with a copy

to the State Aid Engineer, State Aid Division of the Arkansas Highway and Transportation Department, a petition that provides the following information:

1. The caption shall read: Petition for Declaratory Order Before the State Aid Street Committee.
2. The name, address, telephone number, and facsimile number of the petitioner.
3. The name, address, telephone number, and facsimile number of the attorney of the petitioner.
4. The statutory provision(s), Committee rule(s), or Committee grant(s) on which the declaratory order is sought.
5. A description of how the statutes, rules, or grants may substantially affect the petitioner and the petitioner's particular set of circumstances, and the question or issue on which petitioner seeks a declaratory order.
6. The signature of the petitioner or petitioner's attorney.
7. The date.
8. Request for a hearing, if desired.

C. AGENCY DISPOSITION

1. The Committee may hold a hearing to consider a petition for declaratory order. If a hearing is held, it shall be conducted in accordance with A.C.A. § 25-15-208 and § 25-15-213.
2. The Committee may rely on the statements of fact set out in the petition without taking any position with regard to the validity of the facts. Within ninety (90) days of the filing of the petition, the Committee will render a final order denying the petition or issuing a declaratory order.

MARK-UP

VII.

SUBSTANTIVE RULES

A. PROJECT CRITERIA

1. In order to qualify for funding roadway conditions for overlays must be fair, fair to poor or poor.

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2. Construction funding for projects will be capped at \$250,000 for overlay projects and \$400,000 for design projects. If a bids exceeds the cap, then the city must agree to pay the overage amount or scale back the project.

3. Projects requiring design work will be granted preliminary approval but will not be considered for construction funding until the engineering has been completed. ~~The \$250,000 cap will apply to these projects.~~

4. ~~A p~~Projects approved for funding for less than ~~\$250,000~~the cap amount but ~~whose receives a low bid amounts that exceeds -are 10% higher than~~ the approved total estimated project cost by 10% or more must ~~come back~~be reconsidered by the Committee for approval.

5. Municipalities may submit one project per year on a calendar year basis, ~~but priority will be given to those municipalities that have not had a project previously funded.~~

6. Municipalities that have had an overlay project approved for funding must wait until the following calendar year to submit another overlay project request and if not approved for funding must resubmit the overlay project request the following calendar year. Design projects need not be resubmitted once the project has been granted preliminary approval by the Committee.

**QUESTIONNAIRE FOR FILING PROPOSED RULES AND REGULATIONS
WITH THE ARKANSAS LEGISLATIVE COUNCIL AND JOINT INTERIM COMMITTEE**

DEPARTMENT/AGENCY State Aid Street Committee
DIVISION State Aid Division - AHTD
DIVISION DIRECTOR David R. Mayo, Jr., State Aid Engineer
CONTACT PERSON Steve Napper, Attorney for the State Aid Street Committee
ADDRESS 200 Louisiana St., Little Rock, AR 72201
PHONE NO. 501-378-7755 **FAX NO.** 501-378-7774 **E-MAIL** snapper@aristotle.net
NAME OF PRESENTER AT COMMITTEE MEETING Steve Napper
PRESENTER E-MAIL snapper@aristotle.net

INSTRUCTIONS

- A. Please make copies of this form for future use.
- B. Please answer each question **completely** using layman terms. You may use additional sheets, if necessary.
- C. If you have a method of indexing your rules, please give the proposed citation after "Short Title of this Rule" below.
- D. Submit two (2) copies of this questionnaire and financial impact statement attached to the front of two (2) copies of the proposed rule and required documents. Mail or deliver to:

**Donna K. Davis
Administrative Rules Review Section
Arkansas Legislative Council
Bureau of Legislative Research
One Capitol Mall, 5th Floor
Little Rock, AR 72201**

- 1. What is the short title of this rule? Amendments to Project Criteria Rules.

- 2. What is the subject of the proposed rule? Amending the current criteria.

- 3. Is this rule required to comply with a federal statute, rule, or regulation? Yes No
If yes, please provide the federal rule, regulation, and/or statute citation. _____

- 4. Was this rule filed under the emergency provisions of the Administrative Procedure Act? Yes No
If yes, what is the effective date of the emergency rule? _____

When does the emergency rule expire? _____

Will this emergency rule be promulgated under the permanent provisions of the Administrative Procedure Act? Yes No

5. Is this a new rule? Yes No
If yes, please provide a brief summary explaining the regulation. _____

Does this repeal an existing rule? Yes No
If yes, a copy of the repealed rule is to be included with your completed questionnaire. If it is being replaced with a new rule, please provide a summary of the rule giving an explanation of what the rule does. _____

Is this an amendment to an existing rule? Yes No
If yes, please attach a mark-up showing the changes in the existing rule and a summary of the substantive changes. **Note: The summary should explain what the amendment does, and the mark-up copy should be clearly labeled "mark-up."**

6. Cite the state law that grants the authority for this proposed rule? If codified, please give the Arkansas Code citation. ACA 27-72-405 and 27-72-413 (d).

7. What is the purpose of this proposed rule? Why is it necessary? The purpose is to revise the project criteria to allow design projects to be funded up to \$400,000 per project and to eliminate selection priority currently granted to first time project requests.

8. Please provide the address where this rule is publicly accessible in electronic form via the Internet as required by Arkansas Code § 25-19-108(b). www.sos.arkansas.gov/rulesRegs and www.citystreet.ar.gov.

9. Will a public hearing be held on this proposed rule? Yes No

If yes, please complete the following:

Date: _____

Time: _____

Place: _____

10. When does the public comment period expire for permanent promulgation? (Must provide a date.)

5:00 p.m. March 25, 2016

11. What is the proposed effective date of this proposed rule? (Must provide a date.)

July 1, 2016

12. Do you expect this rule to be controversial? Yes No

If yes, please explain. _____

13. Please give the names of persons, groups, or organizations that you expect to comment on these rules? Please provide their position (for or against) if known.

Steve Napper (for).

FINANCIAL IMPACT STATEMENT

PLEASE ANSWER ALL QUESTIONS COMPLETELY

DEPARTMENT State Aid Street Committee
DIVISION State Aid Division - AHTD
PERSON COMPLETING THIS STATEMENT Steve Napper, Attorney for the State Aid Street Committee
TELEPHONE NO. 501-378-7755 **FAX NO.** 501-378-7774 **EMAIL:** snapper@aristotle.net

To comply with Ark. Code Ann. § 25-15-204(e), please complete the following Financial Impact Statement and file two copies with the questionnaire and proposed rules.

SHORT TITLE OF THIS RULE Amendments to the Project Criteria Rules.

1. Does this proposed, amended, or repealed rule have a financial impact? Yes No
2. Is the rule based on the best reasonably obtainable scientific, technical, economic, or other evidence and information available concerning the need for, consequences of, and alternatives to the rule? Yes No
3. In consideration of the alternatives to this rule, was this rule determined by the agency to be the least costly rule considered? Yes No

If an agency is proposing a more costly rule, please state the following:

- (a) How the additional benefits of the more costly rule justify its additional cost;

- (b) The reason for adoption of the more costly rule;

- (c) Whether the more costly rule is based on the interests of public health, safety, or welfare, and if so, please explain; and;

- (d) Whether the reason is within the scope of the agency's statutory authority; and if so, please explain.

4. If the purpose of this rule is to implement a federal rule or regulation, please state the following:

- (a) What is the cost to implement the federal rule or regulation?

Current Fiscal Year

General Revenue _____
Federal Funds _____
Cash Funds _____
Special Revenue _____
Other (Identify) _____

Next Fiscal Year

General Revenue _____
Federal Funds _____
Cash Funds _____
Special Revenue _____
Other (Identify) _____

Total N/A

Total N/A

(b) What is the additional cost of the state rule?

Current Fiscal Year

Next Fiscal Year

General Revenue _____
Federal Funds _____
Cash Funds _____
Special Revenue _____
Other (Identify) _____

General Revenue _____
Federal Funds _____
Cash Funds _____
Special Revenue _____
Other (Identify) _____

Total N/A

Total N/A

5. What is the total estimated cost by fiscal year to any private individual, entity and business subject to the proposed, amended, or repealed rule? Identify the entity(ies) subject to the proposed rule and explain how they are affected.

Current Fiscal Year

\$ 0

Next Fiscal Year

\$ 0

None are impacted.

6. What is the total estimated cost by fiscal year to state, county, and municipal government to implement this rule? Is this the cost of the program or grant? Please explain how the government is affected.

Current Fiscal Year

\$ 0

Next Fiscal Year

\$ 0

None are impacted.

7. With respect to the agency's answers to Questions #5 and #6 above, is there a new or increased cost or obligation of at least one hundred thousand dollars (\$100,000) per year to a private individual, private entity, private business, state government, county government, municipal government, or to two (2) or more of those entities combined?

Yes No

If YES, the agency is required by Ark. Code Ann. § 25-15-204(e)(4) to file written findings at the time of filing the financial impact statement. The written findings shall be filed simultaneously with the financial impact statement and shall include, without limitation, the following:

- (1) a statement of the rule's basis and purpose;
- (2) the problem the agency seeks to address with the proposed rule, including a statement of whether a rule is required by statute;
- (3) a description of the factual evidence that:
 - (a) justifies the agency's need for the proposed rule; and

- (b) describes how the benefits of the rule meet the relevant statutory objectives and justify the rule's costs;
- (4) a list of less costly alternatives to the proposed rule and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
 - (5) a list of alternatives to the proposed rule that were suggested as a result of public comment and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
 - (6) a statement of whether existing rules have created or contributed to the problem the agency seeks to address with the proposed rule and, if existing rules have created or contributed to the problem, an explanation of why amendment or repeal of the rule creating or contributing to the problem is not a sufficient response; and
 - (7) an agency plan for review of the rule no less than every ten (10) years to determine whether, based upon the evidence, there remains a need for the rule including, without limitation, whether:
 - (a) the rule is achieving the statutory objectives;
 - (b) the benefits of the rule continue to justify its costs; and
 - (c) the rule can be amended or repealed to reduce costs while continuing to achieve the statutory objectives.