



NICOLE GALLOWAY, CPA **Missouri State Auditor**

December 19, 2017

Honorable Eric R. Greitens, Governor
and
Members of the General Assembly

The State Auditor's Office reviewed state agency compliance with Section 536.175, RSMo. We determined the Departments of Transportation, Labor and Industrial Relations, Mental Health and Natural Resources met the requirements of Section 536.175, RSMo. These requirements include each agency reviewing its existing rules, completing and filing the periodic rule review report with the Joint Committee on Administrative Rules (JCAR), and ensuring the report is available on the agency's website.

Section 536.175, RSMo, requires a 5 year rolling review by all state agencies of their existing rules. The first agencies (Title 1 through 6 of the Code of State Regulations [CSR]) were required to begin their rule review no later than July 1, 2015, and to complete it by June 30, 2016. The second group of agencies (Title 7 through 10 of the CSR) were required to begin their rule review no later than July 1, 2016, and to complete it by June 30, 2017. The third group of agencies (Title 11 through 14 of the CSR) were required to begin their rule review no later than July 1, 2017, and complete it by July 30, 2018. The next two groups begin no later than July 1st of 2018 and 2019. Each agency must repeat this process every 5 years.

The JCAR publishes in the Missouri Register a notification of which rules are subject to review and the process for this review, including who the public may submit comments to at each agency. Each agency must prepare a report of the results of the agency's rule review with an attached appendix summarizing comments received and the agency's response. The agency must file the report and appendix electronically with the JCAR and the small business regulatory fairness board no later than June 30th after the JCAR publishes the notice. These reports also must be made available on the state agency's website.

Any rule not included in the agency review and report may become null and void. There is a process in place before nullification of a rule, including the ability of the agency to request an extension from the JCAR and a notice and opportunity for the agency to correct the delinquency.

On July 1, 2016, the JCAR published in the Missouri Register the notification of the agency rules (Title 7 through 10) subject to review and the process, as required by Section 536.175.2, RSMo. The following agencies began their rule review on July 1, 2016, and completed the review process by June 30, 2017:

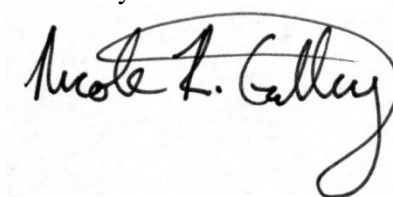
Title 7 - Department of Transportation
Title 8 - Department of Labor and Industrial Relations
Title 9 - Department of Mental Health
Title 10 - Department of Natural Resources

Based on a review of the JCAR's website, each agency timely completed and filed its periodic rule review report by June 30, 2017. These reports are available on that website. Each agency also posts its report on the agency's website.

On October 30, 2017, my office sent a letter to each agency to confirm the information from this review. Each agency provided a response. The table below provides a summary of the information determined from this review.

Department	Number of Rules Reviewed	Number of Comments Received	Rule Report Filed with the JCAR	Rule Report Available on Agency Website
Department of Transportation	214	4	Yes	Yes
Department of Labor and Industrial Relations	169	1	Yes	Yes
Department of Mental Health	156	14	Yes	Yes
Department of Natural Resources	610	8	Yes ¹	Yes ²

Based on this review, these agencies timely completed their rule review process and report as required under Section 536.175, RSMo; and, no further action is necessary.



Nicole R. Galloway, CPA
State Auditor

cc: Waylene Hiles, Director, Joint Committee on Administrative Rules
Patrick K. McKenna, Director, Department of Transportation
Anna S. Hui, Acting Director, Department of Labor and Industrial Relations
Mark Stringer, Director, Department of Mental Health
Carol S. Comer, Director, Department of Natural Resources

¹ While a typographical error shows an incorrect subtotal for 2 of DNR's 14 subcategories, all reviewed rules are included in JCAR's report. DNR officials confirmed the information in the table is correct and the agency is working to update the JCAR report.

² The same error is included in the report available on DNR's website, but department officials are also working to update this document.