



SCOTUS Overrules Decades-Old Chevron Deference

Client Advisories

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On Friday, June 28, 2024, the United States Supreme Court overturned decades-old precedent established in the 1984 case *Chevron v. Natural Resources Defense Council*, which instructed when a court tasked with evaluating a federal agency's interpretation of or action pursuant to laws passed by Congress must give deference to that agency's interpretation or action. This fundamental change to the way statutes are interpreted may have a significant impact on state agency deference in the event similar challenges are brought in New Jersey, which may weaken the ability of agencies to interpret the laws of the State.

Under the well-known *Chevron* doctrine, if an area of a statute was not directly addressed by Congress, and therefore left ambiguous, a court would defer to and uphold an agency's interpretation of the statute, as long as it was reasonable, even if the court read the statute differently. Over time, this decision has been targeted by those seeking to reduce the regulatory power of the administrative state.

In *Loper Bright Enterprises v. Raimondo*, and *Relentless v. Department of Commerce*, a pair of identical cases decided by the Supreme Court on June 28, challenging federal regulations governing fishing off the coast of the United States, the Court held that agency deference is improper under the Administrative Procedure Act, which the Court held directs federal district courts to decide legal questions with their own judgment, rather than that of the agency. The decision was a 6-3 ruling, with Justices Roberts, Thomas, Alito, Gorsuch, Kavanaugh, and Barrett joining the majority—Justices Thomas and Gorsuch also filed concurring opinions. Justice Kagan authored a dissent, which was joined by Justices Sotomayor and Jackson.

This long-awaited decision will likely lead to an increase in legal challenges to agency action, which in turn, may lead to greater variability in how federal district courts handle the interpretation of an ambiguous statute. Questions now loom over what effect, if any, this historic ruling will have on agency deference at the state level and whether it will lead to similar legal challenges in New Jersey intended to weaken New Jersey's long-standing

practice of affording agencies deference.

For questions or issues concerning the impact of the end of Chevron deference, please contact **Marc Rollo** at mrollo@archerlaw.com or 856-354-3061, **Charles Dennen** at cdennen@archerlaw.com or 856-673-3932, or **Thomas Tyrrell** at ttyrrell@archerlaw.com or 856-673-7149.

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