

1 STATE OF OKLAHOMA

2 1st Session of the 60th Legislature (2025)

3 COMMITTEE SUBSTITUTE

4 FOR

5 HOUSE BILL NO. 2728

6 By: Kendrix

7 COMMITTEE SUBSTITUTE

8 An Act relating to administrative rule processes;
9 enacting the Regulations from the Executive in Need
10 of Scrutiny (REINS) Act of 2025; defining terms;
11 imposing duties on agencies with respect to rules;
12 prescribing procedures; requiring economic analysis;
13 requiring consultation with political subdivisions;
14 requiring solicitation of information from certain
15 entities; establishing the Legislative Economic
16 Analysis Unit within the Legislative Office of Fiscal
17 Transparency; imposing duties with respect to
18 analysis of rules; prescribing limit on full-time-
19 equivalent employees; requiring independent analysis;
20 requiring reports; requiring cooperation by state
21 agencies; providing for evaluation of rules at
22 request of certain officials; requiring public
23 availability of information; requiring annual report;
24 requiring quantification of certain results;
prohibiting certain rule from taking effect without
specific approval pursuant to legislative measure;
providing for noncodification; providing for
codification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law not to be
codified in the Oklahoma Statutes reads as follows:

1 This act shall be known and may be cited as the "Regulations
2 from the Executive in Need of Scrutiny (REINS) Act of 2025".

3 SECTION 2. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 601 of Title 75, unless there is
5 created a duplication in numbering, reads as follows:

6 As used in this act:

7 1. "Agency" means any officer, department, bureau, division,
8 board, commission, authority, agency, or institution of this state,
9 except the judicial and legislative branches, authorized by law to
10 promulgate rules and regulations concerning the administration,
11 enforcement, or interpretation of any law of this state;

12 2. "Implementation and compliance costs" means direct costs
13 that are readily ascertainable based upon standard business
14 practices, including, but not limited to, fees, the cost to obtain a
15 license or registration, the cost of equipment required to be
16 installed or used, additional operating costs incurred, the cost of
17 monitoring and reporting, and any other costs to comply with the
18 requirements of the proposed rule and regulation; and

19 3. "Major rule" means any administrative rule, whether
20 emergency or permanent in nature, that will result in or is likely
21 to result in One Million Dollars (\$1,000,000.00) or more over the
22 initial five-year period in implementation and compliance costs are
23 reasonably expected to be incurred by or passed along to business,
24

1 local government units, and individuals as a result of the proposed
2 rule and regulation following the adoption of such rule.

3 SECTION 3. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 602 of Title 75, unless there is
5 created a duplication in numbering, reads as follows:

6 A. Each state agency promulgating a major rule shall provide:

7 1. Whether the proposed rule and regulation is mandated by
8 federal law as a requirement for participating in or implementing a
9 federally subsidized or assisted program and whether the proposed
10 rules and regulations exceeds the requirements of the applicable
11 federal law;

12 2. An analysis specifically addressing the following factors:

13 a. a comprehensive analysis of the rule's economic
14 impact, including any costs or benefits including a
15 detailed quantification of implementation and
16 compliance costs, on the specific businesses, business
17 sectors, public utility ratepayers, individuals, and
18 local government units that will be affected by the
19 proposed rule and regulation and on the state economy
20 as a whole,

21 b. a detailed explanation of the methodology and
22 assumptions used to determine the economic impact,
23 including the dollar amounts calculated,

24

- 1 c. an estimate of the total annual implementation and
2 compliance costs that are reasonably expected to be
3 incurred by or passed along to business, local
4 government units, or individuals and a determination
5 of whether those costs will exceed One Million Dollars
6 (\$1,000,000.00) over the initial five-year period
7 following the adoption of the proposed rule and
8 regulation,
- 9 d. a statement of the need for the rule and the legal
10 basis supporting it,
- 11 e. any measures taken by the agency to minimize the cost
12 and impact of the proposed rule and regulation on
13 business and economic development within the State of
14 Oklahoma, local government, and individuals, and
- 15 f. a classification of the rule as major or nonmajor,
16 with a justification for the classification.

17 B. No agency shall submit a major rule and regulation to the
18 Secretary of State for filing without completing an economic impact
19 analysis for the proposed rule and regulation, providing the
20 analysis to the Legislative Economic Analysis Unit as created
21 pursuant to Section 4 of this act.

22 C. The agency shall consult with counties, municipalities, and
23 school boards, as appropriate, when preparing the economic impact
24 statement of a proposed rule and regulation which increases or

1 decreases revenue of counties, cities, or school districts or
2 imposes functions or responsibilities on counties, cities, or school
3 districts which may increase their expenditures or fiscal liability.
4 The agency shall consult and solicit information from businesses,
5 business associations, local government units, state agencies, or
6 members of the public that may be affected by the proposed rule and
7 regulation or that may provide relevant information.

8 SECTION 4. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 603 of Title 75, unless there is
10 created a duplication in numbering, reads as follows:

11 A. The LEAU is hereby established to assist the Administrative
12 Rules Committee in evaluating major rules proposed by state
13 agencies.

14 B. A Legislative Economic Analysis Unit (LEAU) shall be created
15 within the Legislative Office of Fiscal Transparency (LOFT) to
16 provide independent and reliable economic analysis and other
17 information relevant to the conduct of the Legislature's oversight
18 and legislative duties.

19 1. The Legislative Office of Fiscal Transparency shall, within
20 ninety (90) days of the effective date of this act, establish a
21 division within the Office for the purpose of reviewing the Oklahoma
22 Administrative Code and proposed administrative rules of state
23 agencies.

24

1 2. The Office may employ no more than five full-time-equivalent
2 employees (FTEs) to serve the division and carry out the functions
3 in this section.

4 3. Within twenty-one (21) calendar days of receiving the
5 proposed rules and regulations, the LEAU shall conduct an
6 independent analysis to determine that the agency has complied with
7 the requirements for the economic impact statement. The LEAU will
8 assess whether the proposed rule and regulation will result in
9 implementation and compliance costs of more than One Million Dollars
10 (\$1,000,000.00) over the initial five-year period after
11 implementation.

12 4. The LEAU shall provide a report on each major rule and
13 regulation to the committees of jurisdiction by the end of the
14 twenty-first calendar day after its submission.

15 5. Inform the committee if the economic impact statement from
16 the agency is incomplete or contains substantive inaccuracies.

17 6. The LEAU shall report to the committee designated by the
18 President Pro Tempore of the Oklahoma State Senate and the Speaker
19 of the Oklahoma House of Representatives.

20 C. State agencies shall cooperate fully with the LEAU and the
21 Legislature in providing data, documentation, and analysis required
22 under this act.

23 D. The President Pro Tempore of the Oklahoma State Senate,
24 Speaker of the Oklahoma House of Representatives, and committee

1 chairs of the Administrative Rules Committee may also direct the
2 division to conduct evaluations of proposed major rules or existing
3 provisions of the administrative code.

4 E. Reporting and Transparency:

5 1. The LEAU shall make all analyses and determinations publicly
6 available on its website upon completion.

7 2. An annual report summarizing the year's evaluations and
8 findings shall be submitted to the President Pro Tempore of the
9 Oklahoma State Senate and the Speaker of the Oklahoma House of
10 Representatives and published on its website.

11 3. Within the annual report, the LEAU shall quantify the impact
12 of their work, including reductions in regulations, cost savings,
13 and other measurable benefits to the economy.

14 SECTION 5. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 604 of Title 75, unless there is
16 created a duplication in numbering, reads as follows:

17 A major rule shall not take effect unless specifically approved
18 by the Legislature through a measure receiving a constitutional
19 majority in each chamber.

20 SECTION 6. This act shall become effective November 1, 2025.

21

22 60-1-12638 MAH 02/14/25

23

24