

BILL SUMMARY

1st Session of the 60th Legislature

Bill No.:	HB 2728
Version:	FULLPCS2
Request Number:	12321
Author:	Rep. Kendrix
Date:	2/4/2025
Impact: FY26:	\$30,000 One-Time and \$442,000 Recurring

Research Analysis

The proposed committee substitute to HB 2728, also known as the Regulations from the Executive in Need of Scrutiny (REINS) Act of 2025, establishes new statutory requirements for state agencies adopting major administrative rules, enhancing economic impact analysis and legislative oversight.

Key Provisions:

- A “major rule” is defined as any rule expected to incur implementation and compliance costs of \$1,000,000 or more over a five-year period.
- State agencies proposing major rules must:
 - Indicate whether the rule is federally mandated.
 - Conduct a detailed economic impact analysis, including estimated costs and benefits, methodology, compliance costs, and effects on businesses, individuals, and local governments.
 - Justify the rule’s classification as major or nonmajor.
 - Consult with affected stakeholders, such as businesses, municipalities, and school boards.
- The bill establishes the Legislative Economic Analysis Unit (LEAU) within the Legislative Office of Fiscal Transparency (LOFT) to independently review and assess the economic impact of proposed major rules.
- The LEAU must complete its analysis within 21 days of receiving a proposed rule to determine whether agencies have met economic impact assessment requirements. Findings will be reported to relevant legislative committees and made publicly available.
- Legislative Approval Requirement: A major rule cannot take effect unless explicitly approved by the Legislature through a measure receiving a constitutional majority in both chambers.

Prepared By: Stefne Miller

Fiscal Analysis

After communication with the Legislative Office of Fiscal Transparency (LOFT), the measure is anticipated to have a one-time fiscal impact of \$30,000 in general office expenses for the addition of 5 FTE. Approximately \$17,500 will be used for computer hardware, software, and accessories. Approximately \$12,500 will be used for furniture.

Additionally, the measure is anticipated to require an annual operational budget of \$442,000 to fully staff the Legislative Economic Analysis Unit (LEAU). LOFT used the U.S. Census Bureau's average income of Oklahoma government workers classified under "Financial Administration" to reach an estimated salary of \$68,000 per employee. LOFT further estimated an additional thirty percent (30%) in expenses related to employee benefits to arrive at the total estimated fiscal impact regarding the new FTE's. Therefore, the total fiscal impact for the measure is anticipated to be \$472,000.

Prepared By: Zach Lein, House Fiscal Staff

Other Considerations

None.