

An Act

ENROLLED HOUSE
BILL NO. 2728

By: Kendrix, Maynard,
Crosswhite Hader, Lepak,
Moore, Caldwell (Trey),
Boles, Hill, Hildebrant,
Steagall, Kane, Cornwell,
Kerbs, Hasenbeck, Duel,
Hilbert, Olsen, Hays,
Stark, George, Grego,
Hardin, Townley, West
(Kevin), Osburn, Roberts,
Miller, Culver, Wolfley,
Strom, Fetgatter, Lowe
(Dick), Dobrinski, Staires,
Burns, Eaves, Turner, Hall,
Wilk, Blair, Adams,
Chapman, Caldwell (Chad),
Bashore, and Pfeiffer of
the House

and

Bergstrom, Jett, Woods,
Prieto, Daniels, Alvord,
Sacchieri, Standridge,
Murdock, Wingard, Hamilton,
Stewart, Weaver, Bullard,
Deevers, Guthrie, Stanely,
McIntosh, Grellner, Hines,
Frix, Burns, Reinhardt,
Gillespie, Pederson, Pugh,
Gollihare, Seifried, Kern,
and Green of the Senate

An Act relating to administrative rules; enacting the
Regulations from the Executive in Need of Scrutiny
(REINS) Act of 2025; providing short title; amending
62 O.S. 2021, Section 8012, which relates to duties
of the Legislative Office of Fiscal Transparency
(LOFT); modifying duties of LOFT; requiring LOFT to

provide certain analysis and report relating to administrative rules; specifying date for report submissions; requiring compliance with LOFT by state agencies; requiring submission and publication of annual report; specifying content of annual report; amending 75 O.S. 2021, Section 250.1, which relates to composition of the Administrative Procedures Act; updating statutory references; amending 75 O.S. 2021, Section 250.3, as amended by Section 1, Chapter 38, O.S.L. 2023 (75 O.S. Supp. 2024, Section 250.3), which relates to definitions; modifying definitions and defining terms; amending 75 O.S. 2021, Section 253, as amended by Section 2, Chapter 38, O.S.L. 2023 (75 O.S. Supp. 2024, Section 253), which relates to emergency rules; modifying contents of rule impact statement; providing waiver of certain requirements under certain circumstances; amending 75 O.S. 2021, Section 303, which relates to permanent rules; requiring agencies to consult with certain entities prior to rule adoption; modifying contents of rule impact statement; amending 75 O.S. 2021, Section 308, as amended by Section 5, Chapter 38, O.S.L. 2023 (75 O.S. Supp. 2024, Section 308); updating statutory language; requiring certain rules to be addressed in certain legislative manner; providing for noncodification; providing for codification; providing an effective date; and declaring an emergency.

SUBJECT: Administrative rules

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:

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

SECTION 2. AMENDATORY 62 O.S. 2021, Section 8012, is amended to read as follows:

Section 8012. A. The Legislative Office of Fiscal Transparency (LOFT) shall:

1. Gather information regarding the proposed budgets of executive branch agencies each fiscal year;
2. Analyze the information and evaluate the extent to which the agency budget does or does not fulfill the agency's primary duties and responsibilities under applicable provisions of federal, state, or other law;
3. Analyze and forecast all revenues available to the agency from appropriations, fees, dedicated revenue, or any other source;
4. Compare the agency budget information to the comparable information contained in that agency's budget requests from prior fiscal years; ~~and~~
5. Conduct such investigations regarding the operations of the agency as required in order to fulfill the duties imposed upon the Office by law or as otherwise directed by the oversight committee; and
6. Conduct rule impact analyses for major rules, as defined in Section 250.3 of Title 75 of the Oklahoma Statutes.

The oversight committee, subject to the direction of the President Pro Tempore of the Senate and the Speaker of the House of Representatives, shall ensure that the functions performed by the Office pursuant to the provisions of this subsection do not duplicate those of the ~~Senate Committee on Appropriations Committee of the Senate and the House Committee on Appropriations and Budget Committee of the House of Representatives~~ and their respective staffs.

B. The Office shall further conduct performance evaluations and may conduct independent comprehensive performance audits. The oversight committee created in Section ~~3~~ 8013 of this ~~act~~ title may periodically identify specific executive branch agencies, or programs, activities, or functions within executive branch agencies, for which the Office shall conduct a performance evaluation or independent comprehensive performance audit.

C. As used in Section 8011 et seq. of this act title, "performance evaluation" means an examination of a program,

activity, or function of an executive branch agency, conducted in accordance with applicable government auditing standards or auditing and evaluation standards of other appropriate authoritative bodies. The term includes, but is not limited to, an examination of issues related to:

1. Economy, efficiency, or effectiveness of the agency or program, including any revenue sources used to fund or support the agency or program;

2. Structure or design of the agency or program to accomplish its goals and objectives;

3. Adequacy of the agency or program to meet the needs or policy goals identified by the Legislature;

4. Alternative methods of providing agency or program services or products;

5. Goals, objectives, and performance measures used by the agency to monitor and report agency or program accomplishments;

6. The accuracy or adequacy of public documents, reports, or requests prepared by or in relation to the agency or program;

7. Compliance with appropriate policies, rules, or laws related to the agency or program; and

8. Any other issues related to such agencies or programs as directed by the oversight committee.

D. As used in Section 8011 et seq. of this act title, "independent comprehensive performance ~~audit~~ (ICPA)" audit" (ICPA) includes, but is not limited to, a review and analysis of the economy, efficiency, effectiveness, and compliance of the policies, management, fiscal affairs, and operations of state agencies, divisions, programs, and accounts. The results of an ICPA may be used by the Legislature to implement the best budgeting and policy-making practices for government services to run in the most cost-effective way. The Office may, at the direction of the oversight committee and subject to the approval of the President Pro Tempore of the Senate and the Speaker of the House of Representatives, contract with a private company, nonprofit organization, or academic institution to assist with an independent comprehensive performance audit or for professional consulting and administrative support

services. The Office may, but shall not be required to, contract with the Office of the State Auditor and Inspector to conduct any ICPA. ~~The Office~~ LOFT shall develop the scope of services for a request for proposals issued, for professional services necessary to complete each ICPA. Prior to entering into any contract, ~~the Office~~ LOFT shall obtain no ~~less~~ fewer than three separate bids for the auditing services, unless ~~the Office~~ LOFT determines that fewer than three entities meet the qualifications to bid to perform such services as set forth by ~~the Office~~ LOFT. The cost of the contract shall be paid by the Legislative ~~Services~~ Service Bureau.

An independent comprehensive performance audit shall address, but not be limited to, the following topics:

1. Policies which shall include constitutional mandates, if any, statutory mandates, statutory authorizations, administrative rules or policies of the affected agency reflected in internal agency documents, or agency practices;

2. All sources of funding received by the agency, inclusive of federal funds, state appropriations, state-dedicated revenues, fee revenue sources, the use of agency revolving funds, or any other fund or revenue source which is used to pay the expenses of the agency;

3. Management of the agency which shall include, but not be limited to, its governance, capacity, divisions, programs, accounts, information technology systems, and policies and agency operations which include objective analysis of the roles and functions of the department; and

4. A schedule for implementation of agency-specific recommendations.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 8016 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. The Legislative Office of Fiscal Transparency (LOFT) shall provide independent and reliable economic analysis to assist the Legislature in reviewing proposed administrative rules of state agencies classified as major rules pursuant to the Administrative Procedures Act. Unless otherwise approved by the President Pro Tempore of the Senate and the Speaker of the House of

Representatives, the duties prescribed by this section shall be accomplished within the existing full-time-employee count of LOFT.

B. 1. Within twenty-one (21) calendar days of receiving a proposed rule and its supporting documents, LOFT shall analyze whether the proposing agency has complied with the requirements of Section 303 of Title 75 of the Oklahoma Statutes. LOFT shall assess whether the proposed rule could result in implementation and compliance costs of more than One Million Dollars (\$1,000,000.00) over the initial five-year period after implementation.

2. The reporting requirements of this section shall not be construed to prevent the approval and promulgation of emergency rules pursuant to Section 253 of Title 75 of the Oklahoma Statutes.

C. 1. LOFT shall furnish a report on each major rule to the chairs of the committees designated by the President Pro Tempore of the Senate and the Speaker of the House of Representatives by the end of the twenty-first calendar day after its submission.

2. LOFT shall inform the chairs of the designated committees if the rule impact statement from the agency is incomplete or contains substantive inaccuracies.

D. If a chair of a committee designated under subsection C of this section reasonably believes that the provisions of a proposed nonmajor rule may constitute designation as a major rule, the chair may request that LOFT analyze the rule pursuant to the provisions of this section.

E. State agencies shall cooperate fully with LOFT and the Legislature in providing data, documentation, and analysis required under this act.

F. LOFT shall make all analyses and determinations publicly available on its website upon completion.

G. An annual report summarizing the year's evaluations and findings shall be submitted electronically to the Governor, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives and shall be published on LOFT's website. Within the annual report, LOFT shall quantify the impact of its work, including reductions in regulations, cost savings, and other measurable benefits to the economy.

SECTION 4. AMENDATORY 75 O.S. 2021, Section 250.1, is amended to read as follows:

Section 250.1. A. The Administrative Procedures Act shall be composed of two ~~Articles~~ articles. Sections 250, 250.1, 250.3, 250.4, 250.5, and 250.8 of this title are applicable to both Articles I and II. Article I relating to agency filing and publication requirements for rules shall consist of Sections 250.2, 250.4, 250.4a, 250.6, 250.7, and 250.9 through ~~308.2~~ 308.3 of this title ~~and Section 5 of this act~~. Article II relating to agency notice and hearing requirements for individual proceedings shall consist of Sections 308a through 323 of this title.

B. Except as otherwise specifically provided in Section 250.4 of this title, all agencies shall comply with the provisions of Article I and Article II of the Administrative Procedures Act.

SECTION 5. AMENDATORY 75 O.S. 2021, Section 250.3, as amended by Section 1, Chapter 38, O.S.L. 2023 (75 O.S. Supp. 2024, Section 250.3), is amended to read as follows:

Section 250.3. As used in the Administrative Procedures Act:

1. "Administrative head" means an official or agency body responsible pursuant to law for issuing final agency orders;

2. "Adopted" means a proposed emergency rule which has been approved by the agency but has not been approved or disapproved by the Governor as an emergency rule as provided by Section 253 of this title, or a proposed permanent rule which has been approved by the agency and not disapproved by the Governor pursuant to paragraph 6 of subsection A of Section 303 of this title, but has not been finally approved or disapproved by the Legislature or the Governor;

3. "Agency" includes, but is not limited to, any constitutionally or statutorily created state agency, board, bureau, commission, office, authority, institution, public trust in which the state is a beneficiary, ~~or~~ interstate commission, or any instrumentality thereof, except:

a. the Legislature or any branch, committee, or officer thereof, and

b. the courts;

4. "Emergency rule" means a rule that is made pursuant to Section 253 of this title;

5. "Final rule" or "finally adopted rule" means a rule other than an emergency rule, which has not been published pursuant to Section 255 of this title but is otherwise in compliance with the requirements of the Administrative Procedures Act, and is:

- a. approved by the Legislature pursuant to Section 308.3 of this title, provided that any such joint resolution becomes law in accordance with Section 11 of Article VI of the Oklahoma Constitution,
- b. approved by the Governor pursuant to subsection C of Section 308.3 of this title,
- c. approved by a joint resolution pursuant to subsection B of Section 308 of this title, provided that any such resolution becomes law in accordance with Section 11 of Article VI of the Oklahoma Constitution, or
- d. disapproved by a joint resolution pursuant to subsection B of Section 308 of this title or Section 308.3 of this title, which has been vetoed by the Governor in accordance with Section 11 of Article VI of the Oklahoma Constitution and the veto has not been overridden;

6. "Final agency order" means an order that includes findings of fact and conclusions of law pursuant to Section 312 of this title, is dispositive of an individual proceeding unless there is a request for rehearing, reopening, or reconsideration pursuant to Section 317 of this title, and which is subject to judicial review;

7. "Hearing examiner" means a person meeting the qualifications specified by Article II of the Administrative Procedures Act and who has been duly appointed by an agency to hold hearings and, as required, render orders or proposed orders;

8. "Implementation and compliance costs" means direct costs that are readily ascertainable based upon standard business practices, including, but not limited to, fees, the cost to obtain a license or registration, the cost of equipment required to be installed or used, additional operating costs incurred, the cost of

monitoring and reporting, and any other costs to comply with the requirements of the proposed rule;

~~9.~~ 9. "Individual proceeding" means the formal process employed by an agency having jurisdiction by law to resolve issues of law or fact between parties and which results in the exercise of discretion of a judicial nature;

~~9.~~ 10. "License" includes the whole or part of any agency permit, certificate, approval, registration, charter, or similar form of permission required by law;

~~10.~~ 11. "Major rule" means any administrative rule, whether emergency or permanent in nature, that will result in or is likely to result in One Million Dollars (\$1,000,000.00) or more over the initial five-year period in implementation and compliance costs that are reasonably expected to be incurred by or passed along to businesses, state or local government units, and individuals as a result of the proposed rule following the promulgation of such rule;

12. "Nonmajor rule" means any rule that is not a major rule;

13. "Office" means the Office of the Secretary of State;

~~11.~~ 14. "Order" means all or part of a formal or official decision made by an agency including, but not limited to, final agency orders;

~~12.~~ 15. "Party" means a person or agency named and participating, or properly seeking and entitled by law to participate, in an individual proceeding;

~~13.~~ 16. "Permanent rule" means a rule that is made pursuant to Section 303 of this title;

~~14.~~ 17. "Person" means any individual, partnership, corporation, association, governmental subdivision, or public or private organization of any character other than an agency;

~~15.~~ 18. "Political subdivision" means a county, city, incorporated town, or school district within this state;

~~16.~~ 19. "Promulgated" means a finally adopted rule which has been filed and published in accordance with the provisions of the

Administrative Procedures Act, or an emergency rule or preemptive rule which has been approved by the Governor;

~~17.~~ 20. "Rule" means any agency statement or group of related statements of general applicability and future effect that implements, interprets, or prescribes law or policy, or describes the procedure or practice requirements of the agency. The term rule includes the amendment or revocation of an effective rule but does not include:

- a. the issuance, renewal, denial, suspension or revocation or other sanction of an individual specific license,
- b. the approval, disapproval, or prescription of rates. For purposes of this subparagraph, the term "rates" shall not include fees or charges fixed by an agency for services provided by that agency including, but not limited to, fees charged for licensing, permitting, inspections, or publications,
- c. statements and memoranda concerning only the internal management of an agency and not affecting private rights or procedures available to the public,
- d. declaratory rulings issued pursuant to Section 307 of this title,
- e. orders by an agency, or
- f. press releases or "agency news releases", provided such releases are not for the purpose of interpreting, implementing, or prescribing law or agency policy;

~~18.~~ 21. "Rulemaking" means the process employed by an agency for the formulation of a rule;

~~19.~~ 22. "Secretary" means the Secretary of State;

~~20.~~ 23. "Small business" means a for-profit enterprise consisting of fifty or fewer full-time or part-time employees; and

~~21.~~ 24. "Technical legal defect" means an error that would otherwise invalidate an action by a court of law.

SECTION 6. AMENDATORY 75 O.S. 2021, Section 253, as amended by Section 2, Chapter 38, O.S.L. 2023 (75 O.S. Supp. 2024, Section 253), is amended to read as follows:

Section 253. A. 1. If an agency finds that a rule is necessary as an emergency measure, the rule may be promulgated pursuant to the provisions of this section, if the rule is first approved by the Governor. The Governor shall not approve the adoption, amendment, revision, or revocation of a rule as an emergency measure unless the agency submits substantial evidence that the rule is necessary as an emergency measure to do any of the following:

- a. protect the public health, safety, or welfare,
- b. comply with deadlines in amendments to an agency's governing law or federal programs,
- c. avoid violation of federal law or regulation or other state law,
- d. avoid imminent reduction to the agency's budget, or
- e. avoid serious prejudice to the public interest.

As used in this subsection, "substantial evidence" shall mean credible evidence which is of sufficient quality and probative value to enable a person of reasonable caution to support a conclusion.

2. In determining whether a rule is necessary as an emergency measure, the Governor shall consider whether the emergency situation was created due to the agency's delay or inaction and could have been averted by timely compliance with the provisions of this chapter.

B. An emergency rule adopted by an agency shall:

1. Be prepared in the format required by Section 251 of this title;

2. a. Include an impact statement which meets the requirements set forth in subparagraph b of this paragraph, unless the Governor waives the initial requirement in writing upon a finding that the rule impact statement or the specified contents thereof are

unnecessary or contrary to the public interest.
Provided, the rule impact statement shall be submitted
no more than forty-five (45) days from the date of
such waiver.

b. The rule impact statement shall include, but not be limited to:

(1) a statement of the need for the rule and legal basis supporting it,

(2) a classification of the rule as major or nonmajor, with a justification for the classification, including an estimate of the total annual implementation and compliance costs that are reasonably expected to be incurred by or passed along to businesses, state or local government units, or individuals and a determination of whether those costs will exceed One Million Dollars (\$1,000,000.00) over the initial five-year period following the promulgation of the proposed rule. Provided, if the costs exceed One Million Dollars (\$1,000,000.00), the agency shall classify the rule as a major rule,

(3) a brief description of the proposed rule, including a determination of whether the proposed rule is mandated by federal law, or as a requirement for participation in or implementation of a federally subsidized or assisted program, and whether the proposed rule exceeds the requirements of the applicable federal law,

~~(2)~~

(4) a description of the classes of persons who most likely will be affected by the proposed rule, including classes that will bear the costs of the proposed rule, and any information on cost impacts received by the agency from any private or public entities,

~~(3)~~

- (5) a description of the classes of persons who will benefit from the proposed rule,
- ~~(4) a description of the probable~~
- (6) a comprehensive analysis of the rule's economic impact of the proposed rule upon affected classes of persons or political subdivisions, including any anticipated impacts on the full-time-employee count of the agency, any costs or benefits, and a detailed quantification of implementation and compliance costs on the affected businesses, business sectors, public utility ratepayers, individuals, state or local government units, and on the state economy as a whole. The analysis shall include a listing of all fee changes and, whenever possible, a separate justification for each fee change,
- ~~(5) the probable costs and benefits to the agency and to any other agency of the implementation and enforcement of the proposed rule, and any anticipated effect on state revenues, including a projected net loss or gain in such revenues if it can be projected by the agency,~~
- (7) a detailed explanation of the methodology and assumptions used to determine the economic impact, including the dollar amounts calculated,
- ~~(6)~~
- (8) a determination of whether implementation of the proposed rule will have an economic impact on any political subdivisions or require their cooperation in implementing or enforcing the rule,
- (9) a determination of whether implementation of the proposed rule may have an adverse economic effect on small business as provided by the Oklahoma Small Business Regulatory Flexibility Act,

~~(7) an explanation of the measures the agency has taken to minimize compliance costs and a determination of whether there are less costly or nonregulatory methods or less intrusive methods for achieving the purpose of the proposed rule,~~

(10) any measures taken by the agency to minimize the cost and impact of the proposed rule on business and economic development in this state, local government units of this state, and individuals,

~~(8)~~

(11) a determination of the effect of the proposed rule on the public health, safety, and environment and, if the proposed rule is designed to reduce significant risks to the public health, safety, and environment, an explanation of the nature of the risk and to what extent the proposed rule will reduce the risk,

~~(9)~~

(12) a determination of any detrimental effect on the public health, safety, and environment if the proposed rule is not implemented, and

~~(10)~~

(13) the date the rule impact statement was prepared and, if modified, the date modified.

c. The rule impact statement shall be prepared on or before the date the emergency rule is adopted; and

3. Be transmitted pursuant to Section 464 of Title 74 of the Oklahoma Statutes to the Governor, the Speaker of the House of Representatives, the President Pro Tempore of the Senate, and the chief legislative officer of each chamber, along with the information required by this subsection within ten (10) days after the rule is adopted; ~~and~~

~~4. Not be invalidated on the ground that the contents of the rule impact statement are insufficient or inaccurate.~~

C. 1. Within forty-five (45) calendar days of receipt of a proposed emergency rule filed with the Governor, the Speaker of the House of Representatives, the President Pro Tempore of the Senate, and the chief legislative officer of each chamber, the Governor shall review the demonstration of emergency pursuant to subsection A of this section, and shall separately review the rule in accordance with the standards prescribed in paragraph 3 of this subsection.

2. Prior to approval of emergency rules, the Governor shall submit the emergency rule to the Secretary of State for review of proper formatting.

3. If the Governor determines the agency has established the rule is necessary as an emergency measure pursuant to subsection A of this section, the Governor shall approve the proposed emergency rule if the rule is:

- a. clear, concise, and understandable,
- b. within the power of the agency to make and within the enacted legislative standards, and
- c. made in compliance with the requirements of the Administrative Procedures Act.

4. If an emergency rule is adopted under this section due to a declared state of emergency pursuant to Section 683.1 et seq. of Title 63 of the Oklahoma Statutes, an agency may request the Governor waive the provisions of subsection B of this section. Such request shall be in writing and shall state the agency's findings and the justification for such findings. The agency shall have forty-five (45) days to comply with the provisions of subsection B of this section for any adopted emergency rules where such provisions are waived. Any rules which do not comply with the requirements of this section shall expire following such time period. Nothing in this paragraph shall be construed to waive any other requirements of this section for emergency rule promulgation by an agency.

D. 1. Within the forty-five-calendar-day period set forth in paragraph 1 of subsection C of this section, the Governor may approve the emergency rule or disapprove the emergency rule. Failure of the Governor to approve an emergency rule within the specified period shall constitute disapproval of the emergency rule.

2. If the Governor disapproves the adopted emergency rule, the Governor shall return the entire document to the agency with reasons for the disapproval. If the agency elects to modify the rule, the agency shall adopt the modifications, and shall file the modified rule in accordance with the requirements of subsection B of this section.

3. Upon disapproval of an emergency rule, the Governor shall, within fifteen (15) days, make written notification to the Speaker of the House of Representatives, the President Pro Tempore of the Senate, the chief legislative officer of each chamber, and the Office of Administrative Rules.

E. 1. Upon approval of an emergency rule, the Governor shall immediately make written notification to the agency, the Speaker of the House of Representatives, the President Pro Tempore of the Senate, the chief legislative officer of each chamber, and the Office of Administrative Rules. Upon receipt of the notice of the approval, the agency shall file with the Office of Administrative Rules as many copies of the notice of approval and the emergency rule as required by the Secretary.

2. Emergency rules shall be subject to legislative review pursuant to Section 308 of this title.

3. The emergency rule shall be published in accordance with the provisions of Section 255 of this title in "The Oklahoma Register" following the approval by the Governor. The Governor's approval and the approved rules shall be retained as official records by the Office of Administrative Rules.

F. 1. Upon approval by the Governor, an emergency rule shall be considered promulgated and shall be in force immediately, or on such later date as specified therein. An emergency rule shall only be applied prospectively from its effective date.

2. Except as otherwise provided in this subsection, the emergency rule shall remain in full force and effect through the first day of the next succeeding regular session of the Legislature following promulgation of such emergency rule until September 14 following such session, unless it is made ineffective pursuant to subsection H of this section.

G. No agency shall adopt any emergency rule which establishes or increases fees, except during such times as the Legislature is in

session, unless specifically mandated by the Legislature or federal legislation, or when the failure to establish or increase fees would conflict with an order issued by a court of law.

H. 1. If an emergency rule is of a continuing nature, the agency promulgating such emergency rule shall initiate proceedings for promulgation of a permanent rule pursuant to Sections 303 through ~~308.2~~ 308.3 of this title. If an emergency rule is superseded by another emergency rule prior to the enactment of a permanent rule, the latter emergency rule shall retain the same expiration date as the superseded emergency rule, unless otherwise authorized by the Legislature.

2. Any promulgated emergency rule shall be made ineffective if:

- a. disapproved by the Legislature,
- b. superseded by the promulgation of permanent rules,
- c. any adopted rules based upon such emergency rules are subsequently disapproved pursuant to Section 308 of this title, or
- d. an earlier expiration date is specified by the agency in the rules.

3. a. Emergency rules in effect on the first day of the session shall be null and void on September 15 following sine die adjournment of the Legislature unless otherwise specifically provided by the Legislature.

- b. Unless otherwise authorized by the Legislature, an agency shall not adopt any emergency rule, which has become null and void pursuant to subparagraph a of this paragraph, as a new emergency rule or adopt any emergency rules of similar scope or intent as the emergency rules which became null and void pursuant to subparagraph a of this paragraph.

I. Emergency rules shall not become effective unless approved by the Governor pursuant to the provisions of this section.

J. 1. The requirements of Section 303 of this title relating to notice and hearing shall not be applicable to emergency rules

promulgated pursuant to the provisions of this section. Provided, this shall not be construed to prevent an abbreviated notice and hearing process determined to be necessary by an agency.

2. The rule report required pursuant to Section 303.1 of this title shall not be applicable to emergency rules promulgated pursuant to the provisions of this section. Provided, this shall not be construed to prevent an agency from complying with such requirements at the discretion of such agency.

3. The statement of submission required by Section 303.1 of this title shall not be applicable to emergency rules promulgated pursuant to the provisions of this section.

K. Prior to approval or disapproval of an emergency rule by the Governor, an agency may withdraw from review an emergency rule submitted pursuant to the provisions of this section. Notice of such withdrawal shall be given to the Governor, the Speaker of the House of Representatives, the President Pro Tempore of the Senate in accordance with the requirements set forth in Section 464 of Title 74 of the Oklahoma Statutes, and to the Office of Administrative Rules as required by the Secretary of State. In order to be promulgated as emergency rules, any replacement rules shall be resubmitted pursuant to the provisions of this section.

L. Upon completing the requirements of this section, an agency may promulgate a proposed emergency rule. No emergency rule is valid unless promulgated in substantial compliance with the provisions of this section.

M. Emergency rules adopted by an agency or approved by the Governor shall be subject to review pursuant to the provisions of Section 306 of this title.

SECTION 7. AMENDATORY 75 O.S. 2021, Section 303, is amended to read as follows:

Section 303. A. Prior to the adoption of any rule or amendment or revocation of a rule ~~and except as provided for pursuant to the expedited rule repeal process provided in Section 9 of this act~~, the agency shall:

1. Cause notice of any intended action to be published in "The Oklahoma Register" pursuant to subsection B of this section;

2. For at least thirty (30) days after publication of the notice of the intended rulemaking action, afford a comment period for all interested persons to submit data, views, or arguments, orally or in writing. The agency shall consider fully all written and oral submissions respecting the proposed rule;

3. Hold a hearing, if required, as provided by subsection C of this section;

4. Consider the effect its intended action may have on the various types of business and governmental entities. Except where such modification or variance is prohibited by statute or constitutional constraints, if an agency finds that its actions may adversely affect any such entity, the agency may modify its actions to exclude that type of entity, or may "tier" its actions to allow rules, penalties, fines, or reporting procedures and forms to vary according to the size of a business or governmental entity or its ability to comply or both. For business entities, the agency shall include a description of the probable quantitative and qualitative impact of the proposed rule, economic or otherwise, and use quantifiable data to the extent possible, taking into account both short-term and long-term consequences;

5. Consider the effect its intended action may have on the various types of consumer groups. If an agency finds that its actions may adversely affect such groups, the agency may modify its actions to exclude that type of activity; and

6. When an agency provides notice pursuant to paragraph 1 of this subsection, the agency shall provide one ~~(1)~~ electronic copy of the complete text of the proposed rule, amendment or revocation and a copy of the notice to the Governor and to the appropriate cabinet secretary. No agency may adopt any proposed rule, amendment or revocation if, within thirty (30) days from providing notice to the Governor and the appropriate cabinet secretary, the agency receives express written disapproval from the Governor or the cabinet secretary. If the Governor or the cabinet secretary disapproves a rule, the affected agency shall be notified in writing of the reasons for disapproval. If, after thirty (30) days of providing the notice to the Governor and the cabinet secretary, the agency has not received an express written disapproval, the agency may proceed with the rulemaking process.

B. The notice required by paragraph 1 of subsection A of this section shall include, but not be limited to:

1. In simple language, a brief summary of the rule;
2. The proposed action being taken;
3. The circumstances which created the need for the rule;
4. The specific legal authority, including statutory citations, authorizing the proposed rule;
5. The intended effect of the rule;
6. If the agency determines that the rule affects business entities, a request that such entities provide the agency, within the comment period, in dollar amounts if possible, the increase in the level of direct costs such as fees, and indirect costs such as reporting, recordkeeping, equipment, construction, labor, professional services, revenue loss, or other costs expected to be incurred by a particular entity due to compliance with the proposed rule;
7. The time when, the place where, and the manner in which interested persons may present their views thereon pursuant to paragraph 3 of subsection A of this section;
8. Whether or not the agency intends to issue a rule impact statement according to subsection D of this section and where copies of such impact statement may be obtained for review by the public;
9. The time when, the place where, and the manner in which persons may demand a hearing on the proposed rule if the notice does not already provide for a hearing. If the notice provides for a hearing, the time and place of the hearing shall be specified in the notice; and
10. Where copies of the proposed rules may be obtained for review by the public. An agency may charge persons for the actual cost of mailing a copy of the proposed rules to such persons.

The number of copies of such notice as specified by the Secretary of State shall be submitted to the Secretary of State who shall publish the notice in "The Oklahoma Register" pursuant to the provisions of Section 255 of this title.

Prior to or within three (3) days after publication of the notice in "The Oklahoma Register", the agency shall cause a copy of the notice of the proposed rule adoption and the rule impact statement, if available, to be mailed to all persons who have made a timely request of the agency for advance notice of its rulemaking proceedings. Provided, in lieu of mailing copies, an agency may electronically notify interested persons that a copy of the proposed rule and the rule impact statement, if available, may be viewed on the agency's website. If an agency posts a copy of the proposed rule and rule impact statement on its website, the agency shall not charge persons for the cost of downloading or printing the proposed rule or impact statement. Each agency shall maintain a listing of persons or entities requesting such notice.

C. 1. If the published notice does not already provide for a hearing, an agency shall schedule a hearing on a proposed rule if, within thirty (30) days after the published notice of the proposed rule adoption, a written request for a hearing is submitted by:

- a. at least ten persons,
- b. a political subdivision,
- c. an agency, or
- d. an association having not less than twenty-five members.

At that hearing persons may present oral argument, data, and views on the proposed rule.

2. A hearing on a proposed rule may not be held earlier than thirty (30) days after notice of the hearing is published pursuant to subsection B of this section.

3. The provisions of this subsection shall not be construed to prevent an agency from holding a hearing or hearings on the proposed rule although not required by the provisions of this subsection; provided, that notice of such hearing shall be published in "The Oklahoma Register" at least thirty (30) days prior to such hearing.

D. 1. Except as otherwise provided in this subsection, an agency shall issue a rule impact statement of a proposed rule prior to or within fifteen (15) days after the date of publication of the notice of proposed rule adoption. The rule impact statement may be

modified after any hearing or comment period afforded pursuant to the provisions of this section.

2. The agency shall consult with counties, municipalities, and school boards, as necessary, when preparing the rule impact statement of a proposed rule which increases or decreases the revenue of counties, cities, or school districts, or imposes functions or responsibilities on such entities which may increase the expenditures or fiscal liability of the entity. The agency shall consult and solicit information from businesses, business associations, local government units, state agencies, or members of the public that may be affected by the proposed rule or that may provide relevant information to the agency.

3. Except as otherwise provided in this subsection, the rule impact statement shall include, but not be limited to:

- a. a statement of the need for the rule and legal basis supporting it,
- b. a classification of the rule as major or nonmajor, with a justification for the classification, including an estimate of the total annual implementation and compliance costs that are reasonably expected to be incurred by or passed along to businesses, state or local government units, or individuals and a determination of whether those costs will exceed One Million Dollars (\$1,000,000.00) over the initial five-year period following the promulgation of the proposed rule. Provided, if the costs exceed One Million Dollars (\$1,000,000.00), the agency shall classify the rule as a major rule,
- c. a ~~brief~~ description of the purpose of the proposed rule, including a determination of whether the proposed rule is mandated by federal law, or as a requirement for participation in or implementation of a federally subsidized or assisted program, and whether the proposed rule exceeds the requirements of the applicable federal law,
- ~~b.~~
- d. a description of the classes of persons who most likely will be affected by the proposed rule,

including classes that will bear the costs of the proposed rule, and any information on cost impacts received by the agency from any private or public entities,

~~e.~~

e. a description of the classes of persons who will benefit from the proposed rule,

~~d.~~ a description of the probable

f. a comprehensive analysis of the rule's economic impact of the proposed rule upon affected classes of persons or political subdivisions, including any anticipated impacts on the full-time-employee count of the agency, any costs or benefits, and a detailed quantification of implementation and compliance costs on the affected businesses, business sectors, public utility ratepayers, individuals, state or local government units, and on the state economy as a whole. The analysis shall include a listing of all fee changes and, whenever possible, a separate justification for each fee change,

~~e.~~ ~~the probable costs and benefits to the agency and to any other agency of the implementation and enforcement of the proposed rule, the source of revenue to be used for implementation and enforcement of the proposed rule, and any anticipated effect on state revenues, including a projected net loss or gain in such revenues if it can be projected by the agency,~~

~~f.~~

g. a detailed explanation of the methodology and assumptions used to determine the economic impact, including the dollar amounts calculated,

h. a determination of whether implementation of the proposed rule will have an economic impact on any political subdivisions or require their cooperation in implementing or enforcing the rule,

~~g.~~

- i. a determination of whether implementation of the proposed rule may have an adverse economic effect on small business as provided by the Oklahoma Small Business Regulatory Flexibility Act,
- ~~h.~~ ~~an explanation of the measures the agency has taken to minimize compliance costs and a determination of whether there are less costly or nonregulatory methods or less intrusive methods for achieving the purpose of the proposed rule~~
- j. any measures taken by the agency to minimize the cost and impact of the proposed rule on business and economic development in this state, local government units of this state, and individuals,
- ~~i.~~
- k. a determination of the effect of the proposed rule on the public health, safety, and environment and, if the proposed rule is designed to reduce significant risks to the public health, safety, and environment, an explanation of the nature of the risk and to what extent the proposed rule will reduce the risk,
- ~~j.~~
- l. a determination of any detrimental effect on the public health, safety, and environment if the proposed rule is not implemented, and
- ~~k.~~
- m. the date the rule impact statement was prepared and, if modified, the date modified.

~~3.~~ 4. To the extent an agency for good cause finds the preparation of a rule impact statement or the specified contents thereof are unnecessary or contrary to the public interest in the process of adopting a ~~particular~~ nonmajor rule, the agency may request the Governor to waive such requirement. Such request shall be in writing and shall state the agency's findings and the justification for such findings. Upon request by an agency, the Governor may also waive the rule impact statement requirements for a

nonmajor rule if the agency is required to implement a statute or federal requirement that does not require an agency to interpret or describe the requirements, such as federally mandated provisions which afford the agency no discretion to consider less restrictive alternatives. If the Governor fails to waive such requirement, in writing, prior to publication of the notice of the intended rulemaking action, the rule impact statement shall be completed. The determination to waive the rule impact statement shall not be subject to judicial review.

~~4. The rule shall not be invalidated on the ground that the contents of the rule impact statement are insufficient or inaccurate.~~

E. Upon completing the requirements of this section, an agency may adopt a proposed rule. No rule is valid unless adopted in substantial compliance with the provisions of this section.

SECTION 8. AMENDATORY 75 O.S. 2021, Section 308, as amended by Section 5, Chapter 38, O.S.L. 2023 (75 O.S. Supp. 2024, Section 308), is amended to read as follows:

Section 308. A. Upon receipt of any proposed permanent rules, the Speaker of the House of Representatives and the President Pro Tempore of the Senate shall assign such rules to the appropriate committees of each house of the Legislature for review. Except as otherwise provided by this section:

1. If such rules are received on or before ~~April 1~~ February 1, the Legislature shall have until the last day of the regular legislative session of that year to review such rules. ~~Provided, proposed permanent rules for consideration by the 2nd Session of the 59th Legislature shall be submitted on or before March 1. For each legislative session thereafter, proposed permanent rules shall be submitted on or before February 1 of the given year; and~~

2. If such rules are received after the date established pursuant to paragraph 1 of this subsection, the Legislature shall have until the last day of the regular legislative session of the next year to act on such rules.

B. By the adoption of joint resolutions during the review period specified in subsection A of this section, the Legislature may disapprove or approve any rule and disapprove all or part of a rule or rules.

C. Unless otherwise authorized by the Legislature, whenever a rule is disapproved as provided in subsection B of this section, the agency adopting such rules shall not have authority to resubmit an identical rule, except during the first sixty (60) calendar days of the next regular legislative session. Any effective emergency rule which would have been superseded by a disapproved permanent rule shall be deemed null and void on the date the Legislature disapproves the permanent rule. Rules may be disapproved in part or in whole by the Legislature. Upon enactment of any joint resolution disapproving a rule, the agency shall file notice of such legislative disapproval with the Secretary of State for publication in "The Oklahoma Register".

D. Unless otherwise provided by specific vote of the Legislature, joint resolutions introduced for purposes of disapproving or approving a rule or the omnibus joint resolution ~~described in Section 308.3 of this title~~ shall not be subject to regular legislative cutoff dates, shall be limited to such provisions as may be necessary for disapproval or approval of a rule, and any such other direction or mandate regarding the rule deemed necessary by the Legislature. The resolution shall contain no other provisions.

E. A proposed permanent rule shall be deemed finally adopted if:

1. Approved by the Legislature pursuant to Section 308.3 of this title, provided that any such joint resolution becomes law in accordance with Section 11 of Article VI of the Oklahoma Constitution;

2. Approved by a joint resolution pursuant to subsection B of this section, provided that any such resolution becomes law in accordance with Section 11 of Article VI of the Oklahoma Constitution; or

3. Disapproved by a joint resolution pursuant to subsection B of this section or Section 308.3 of this title which has been vetoed by the Governor in accordance with Section 11 of Article VI of the Oklahoma Constitution and the veto has not been overridden.

Provided, major rules shall be addressed in one or more joint resolutions only addressing major rules, regardless of if the joint resolution is to approve or disapprove such rules.

F. Prior to final adoption of a rule, an agency may withdraw a rule from legislative review. Notice of such withdrawal shall be given to the Governor, the Speaker of the House of Representatives, the President Pro Tempore of the Senate, and to the Secretary of State for publication in "The Oklahoma Register".

G. An agency may promulgate an emergency rule only pursuant to Section 253 of this title.

H. Any rights, privileges, or interests gained by any person by operation of an emergency rule, shall not be affected by reason of any subsequent disapproval or rejection of such rule by either house of the Legislature.

SECTION 9. This act shall become effective July 1, 2025.

SECTION 10. It being immediately necessary for the preservation of the public peace, health or safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the House of Representatives the 14th day of May, 2025.

Presiding Officer of the House
of Representatives

Passed the Senate the 1st day of May, 2025.

Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____