

1 STATE OF OKLAHOMA

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

3 HOUSE BILL 2728

By: Kendrix

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6 AS INTRODUCED

7 An Act relating to administrative rules and
8 procedures; creating Legislative Economic Analysis
9 Unit; prescribing procedures for review of
10 administrative rules; requiring economic analysis of
11 proposed administrative rules; setting dollar
12 threshold; requiring specific approval of proposed
13 administrative rule pursuant to action by
14 Legislature; providing for codification; and
15 providing an effective date.

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

17 SECTION 1. NEW LAW A new section of law to be codified
18 in the Oklahoma Statutes as Section 601 of Title 75, unless there is
19 created a duplication in numbering, reads as follows:

20 A. A Legislative Economic Analysis Unit (LEAU) shall be created
21 within the Legislature to provide independent and reliable economic
22 analysis and other information relevant to the conduct of the
23 Legislature's oversight and legislative duties.

24 1. The LEAU shall be headed by a Chief Economist, who is
appointed jointly by the President Pro Tempore of the Oklahoma State
Senate and the Speaker of the Oklahoma House of Representatives and

1 serves at their pleasure. If there is no agreement by the President
2 Pro Tempore and Speaker on the appointment or continued tenure of a
3 Chief Economist, the office shall remain vacant, but the work of
4 other employees of the LEAU may continue.

5 2. The LEAU shall be staffed by such other career professionals
6 as the Chief Economist deems necessary and appropriate, subject to
7 the appropriations, other rules, and limitations established by the
8 Legislature.

9 B. In addition to other tasks the President Pro Tempore of the
10 Senate and Speaker of the House may assign to the LEAU, it shall
11 produce:

12 1. Determinations whether a rule or proposed rule that is
13 required to be submitted to the Legislature under this rule is a
14 major rule, whenever such determination is requested by the
15 President of the Senate, Speaker of the House, or the committee with
16 jurisdiction over the subject matter of the rule;

17 2. Regulatory Impact Analyses (RIAs) of major rules or major
18 proposed rules within fifteen (15) legislative/session days of
19 submission by an agency as a major rule or within fifteen (15)
20 legislative/session days of LEAU's determination that any other rule
21 is a major rule; and

22 3. RIAs of existing rules and regulations, as specified this
23 act.

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1 C. The LEAU's determination that a rule or proposed rule
2 submitted to the Legislature is a major rule shall be made public to
3 provide notice that such rule might not be in effect without sixty-
4 day legislative consideration or approval. Courts shall have
5 jurisdiction to conduct de novo review of whether a given rule is a
6 major rule and what effect that has on its effective date if not
7 approved by the Legislature, but no such determination precludes the
8 Legislature from using the procedures of this or other act to
9 approve, disapprove, or enact other legislation regarding a rule at
10 any time.

11 SECTION 2. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 602 of Title 75, unless there is
13 created a duplication in numbering, reads as follows:

14 A. Whenever reasonably practicable, the major rule RIA or
15 impact analysis conducted by the LEAU shall include:

- 16 1. Statement of need;
- 17 2. Legal basis for the rule;
- 18 3. Examination of alternatives (for new rules);
- 19 4. Evaluation of costs and benefits (for each alternative for
20 new rules), including:

- 21 a. estimated primary or direct benefits,
- 22 b. estimated cost savings or financial benefits to
23 society,
- 24 c. estimated compliance costs for regulated entities,

- d. estimated secondary or indirect costs,
- e. estimated effect on state revenue,
- f. estimated effect on state expenditures, including estimated administrative expenses, and
- g. estimated opportunity cost. The analysis must identify the opportunity cost of compliance, as a result of the removal of private capital from the market;

5. Sources consulted; and

6. Key assumptions and sources of uncertainty.

B. To the extent resources are available, the LEAU shall also evaluate or conduct the analysis specified in this act of specified existing rules and nonmajor rules when requested by a committee of either chamber relating to matters within the committee's jurisdiction. The LEAU shall undertake such a review in the order requested unless, in a given session, the Senate President and Speaker of the House direct otherwise.

C. Upon completion, analysis of each rule or other matter shall be made publicly available. At the end of each calendar year, the Chief Economist shall provide the President Pro Tempore of the Oklahoma State Senate and the Speaker of the Oklahoma House of Representatives a report summarizing the matters evaluated that year.

1 SECTION 3. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 603 of Title 75, unless there is
3 created a duplication in numbering, reads as follows:

4 A. Within one (1) month of enactment, each chamber of the
5 Legislature shall specify an email or other electronic means for the
6 delivery of rules and other information pursuant to this act,
7 including during times when the Legislature is not in normal
8 session. Thereafter, before any agency rule may take effect, the
9 state agency promulgating a covered rule shall publish in the
10 Oklahoma Register and shall submit to each chamber of the
11 Legislature and to the Chief Economist/head of the LEAU/or
12 equivalent officer a report containing:

- 13 1. A copy of the rule;
- 14 2. A concise general statement relating to the rule;
- 15 3. A classification of the rule as a major or nonmajor rule, as
16 defined in this act, including an explanation of why it
17 presumptively is or is not a major rule;
- 18 4. A list of any other related regulatory actions intended to
19 implement the same statutory provision or regulatory objective as
20 well as the individual and aggregate economic effects of those
21 actions; and
- 22 5. The proposed effective date of the rule.

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1 B. On the date of the submission of the report under this act,
2 the state agency promulgating the rule shall submit to the [LEAU]
3 and make available to each chamber of the Legislature:

4 1. A complete copy of the cost-benefit analysis of the rule, if
5 any, including an analysis of any jobs added or lost,
6 differentiating between public and private sector jobs; and

7 2. Any other relevant information or requirements under any
8 other act and any relevant executive orders.

9 C. The LEAU shall provide a report on each major rule to the
10 committees of jurisdiction by the end of the of fifteenth session
11 day after its submission or publication date, whichever is later.
12 The report of the LEAU shall include an assessment of the agency's
13 compliance with procedural steps required by this act, an assessment
14 of whether the major rule imposes any new limits or mandates on
15 private-sector activity, and its RIA.

16 D. State agencies shall cooperate with the LEAU by providing
17 information relevant to the LEAU's report.

18 E. Subject to the exceptions in this section, a major rule
19 shall not take effect before the Legislature enacts a law ratifying
20 the rule or the expiration of sixty (60) legislative/session days
21 after submission to the Legislature without a final vote in both
22 chambers on the rule. A major rule may go into effect later than
23 sixty (60) legislative/session days after submission to the
24 Legislature, if so specified in the proposed rule and such rule was

1 not disapproved by the Legislature before its specified effective
2 date.

3 F. Nothing in this act expands or extends the emergency powers
4 of the Governor or other executive or administrative officials in
5 the state. Consistent with the limitations on emergency powers, a
6 major rule may go into effect for purposes of this act earlier than
7 specified in this act if the Governor publishes a statement with the
8 rule:

9 1. Explaining why an emergency exists that requires an earlier
10 effective date for the rule, or why a federal requirement or federal
11 funding requires an earlier effective date;

12 2. If the Legislature is not in session or near the end of its
13 session, explaining why the Legislature cannot be called back into
14 session specially to consider and vote on the major rule; and

15 3. Explaining why the issuance of the major rule otherwise
16 complies with emergency powers statutes and limitations or is
17 required by federal law or for federal funding.

18 G. Nothing in this act permits emergency rules to remain in
19 effect longer than otherwise under emergency powers statutes or
20 other limitations, and nothing prevents the Legislature from voting
21 to disapprove of it under this act.

22 H. State courts shall have jurisdiction to hear challenges by
23 regulated or other affected parties that the exception cited by the
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1 Governor for an earlier effective date for a major rule was invalid
2 and, if so, whether or when the major rule did or may take effect.

3 I. A nonmajor rule may take effect after submission to the
4 Legislature under this act and publication, unless its stated
5 effective date is later. If a rule is misclassified as nonmajor,
6 regulated parties may challenge an effective date that is not
7 consistent with that for a major rule.

8 SECTION 4. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 604 of Title 75, unless there is
10 created a duplication in numbering, reads as follows:

11 For purposes of this act:

12 1. The term "major rule" means any rule of any kind that fits
13 the definition of a rule as defined herein, including an emergency
14 rule or an interim final rule, that will result in or is likely to
15 result in:

- 16 a. an annual effect on the economy of Two Hundred
17 Thousand Dollars (\$200,000.00) or more,
- 18 b. significant adverse effects on competition,
19 employment, investment, productivity, innovation,
20 including significant adverse effects on individual
21 industries or regions, or
- 22 c. significant changes in social and cultural relations
23 among citizens, including significant impacts on
24 religious, ethnic, or racial populations;

1 2. The term "nonmajor rule" means any rule that is not a major
2 rule; and

3 3. The term "rule" means any agency statement of general
4 applicability and future effect that is binding on the public or
5 that more than nominally affects private rights, privileges, or
6 other obligations, whether it is a rule issued after public notice
7 and comment or not. A covered rule under this act does not include
8 individual agency adjudications, permits for individual entities, or
9 other rules of individual applicability, or matters of internal
10 agency management that have no substantial effect on nongovernment
11 parties.

12 SECTION 5. NEW LAW A new section of law to be codified
13 in the Oklahoma Statutes as Section 605 of Title 75, unless there is
14 created a duplication in numbering, reads as follows:

15 A. The Legislative procedure leading to and including a final
16 vote on a bill under this act shall not be subject to judicial
17 review, but courts may give effect to bills enacted pursuant to this
18 act.

19 B. Notwithstanding any other provisions of this act, a court
20 may determine whether a state agency or the Legislature has
21 completed the necessary requirements under this act for a rule to
22 take effect, including de novo review of whether a rule is a major
23 rule that requires delayed legislative consideration or approval by
24 the Legislature before it takes effect.

1 C. The enactment of legislation under Section 3(b) shall not be
2 interpreted to serve as a grant or modification of statutory
3 authority by the Legislature for the promulgation of a rule, shall
4 not extinguish or affect any claim, whether substantive or
5 procedural, against any alleged defect in a rule, and shall not form
6 part of the record before the court in any judicial proceeding
7 concerning a rule except for purposes of determining whether or not
8 the rule is in effect.

9 SECTION 6. NEW LAW A new section of law to be codified
10 in the Oklahoma Statutes as Section 606 of Title 75, unless there is
11 created a duplication in numbering, reads as follows:

12 In addition to other requirements of this act, if the result of
13 the economic impact of a proposed rule would cost more than Two
14 Hundred Thousand Dollars (\$200,000.00), the rule shall not become
15 effective and shall not be promulgated or adopted unless the rule is
16 specifically approved by the Legislature pursuant to approval of a
17 measure receiving at least a constitutional majority of those
18 elected to and constituting each chamber of the Legislature.

19 SECTION 7. This act shall become effective November 1, 2025.
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