



States Can Lead on Regulatory Reform to Cut and Control Red Tape

STATE BUREAUCRACY IS OUT OF CONTROL

- Roughly **five out of every six states** saw the number of regulatory restrictions increase since 2017.
- There are **more than 450 million words** in state regulations spread across the country.
- An average state has **more than 135,000 regulations**.



STATES HAVE A PROVEN TRACK RECORD OF REINS-STYLE REFORM



FLORIDA: The Gold Standard

Florida shows that a state-level REINS policy works, demonstrating that increased legislative oversight can help to **slow the growth of government**.

Florida’s policy requires legislative approval of rules that adversely affect the economy or increase regulatory costs by at least \$1 million over five years. Under REINS, the governor can work to deregulate without legislative approval, but agencies creating new costly regulations must work with the legislature.

Since passing a REINS policy in 2010, the number of new rules proposed in Florida has plummeted each year—with the annual average reaching a record low in 2022.

This can help pro-reform governors prioritize their deregulatory efforts by blocking rogue bureaucrats.



WISCONSIN: High Cost Metric, But Still Requires Oversight

In Wisconsin, rules with \$10 million in costs over the course of two years can only take effect if lawmakers pass new legislation authorizing those regulations.

The legislature’s Joint Committee for Review of Administrative Rules may also indefinitely object to a proposed regulation, blocking the rule until lawmakers pass new legislation authorizing it.



WEST VIRGINIA: All Rules Get Approved

In West Virginia, most rules must be approved by the legislature before going into effect. Deregulating is more difficult, though, as it requires the legislature to approve rules that propose eliminating a rule.



Honorable Mention: Arizona

The Arizona Legislature passed a REINS policy earlier this year, only to have it vetoed by Governor Katie Hobbs.

HOW REINS LEGISLATION WOULD WORK

1. An agency provides a statement of estimated regulatory costs to the legislature **for rules costing more than \$1 million within five years.**
2. State legislators would have to **affirmatively support the high-cost rule proposed by the agency** in order for the proposed rule to move forward.
3. This check would happen **before bureaucratic agencies can impose them** on the public.

THE GOOD NEWS:

REINS legislation would make it more difficult to create new, costly rules. It can also help state policymakers:

- ✓ Tame inflation
- ✓ Prevent new red tape
- ✓ Increase transparency
- ✓ Review a rule's impact before implementation
- ✓ Protect taxpayers

DEREGULATION EFFORTS CAN MAKE A BIG IMPACT



States can work to pass these other reforms to cut and control red tape at the state and local levels:

- Set a regulatory budget
- Create fast-track procedures to repeal rules
- Strengthen executive review of proposed rules
- Reduce regulations by implementing zero-based regulation
- Establish legislative office for economic analysis of regulations
- Promote transparency in regulatory guidance with an online database
- Prevent unlawful regulatory guidance by allowing challenges to unadopted rules
- Create a regulatory sandbox
- Require economic analyses for ordinances and legislative approval for costly ordinances
- Fast-track permits by refunding fees when local governments fail deadlines
- Prohibit local governments from imposing regulations more restrictive than state law
- Require economic analyses for ordinances and allow challenges to onerous ordinances
- Attach sunset provisions to local regulations

DID YOU KNOW

Other states like **Colorado, Maine, Arkansas,** and **Utah** have established *some form* of affirmative legislative approval for regulatory actions.

BOTTOM LINE

States can dramatically reduce costly regulations.