

Administrative State 2024 Legislation Report

Administrative state 2024 legislation

30 states passed 88 bills decreasing agency power

Launched in May 2024, Ballotpedia's <u>Administrative State Legislation Tracker</u> covers bills across all 50 states that increase or decrease agency authority and influence or otherwise affect the administrative state.

The tracker categorizes bills according to topic and subtopic, bill status, sponsor, state trifecta status, bill number, and more. The tracker also features custom summaries of each bill.

This report presents findings and analysis from 2024 state legislative sessions on administrative state-related legislation.

Executive summary

Ballotpedia defines the administrative state as the phenomenon of administrative agencies exercising the power to create, adjudicate, and enforce rules.

Ballotpedia tracked 583 bills and resolutions in 44 states related to the administrative state in 2024.

Thirty-eight states **adopted or enacted 129** of those bills or resolutions (including three through veto overrides and three legislatively referred ballot measures).

- 30 states passed 88 that decreased agency power
- 8 states passed nine that increased agency power
- 32 bills and resolutions did not clearly increase or decrease agency power

Partisan breakdown of new laws decreasing agency power:

- 13 Republican trifectas passed 44 bills (50%)
- 10 Democratic trifectas passed 20 bills (23%)
- 7 divided governments enacted 24 bills (27%)

Partisan breakdown of new laws increasing agency power:

- 4 Democratic trifectas enacted four bills (50%)
- 2 Republican trifectas enacted three bills (25%)
- 1 divided government enacted one bill (14%)

Administrative agency actions can be understood according to how the agencies interact with the three branches of government, the public, and each other, which we call the five pillars of the administrative state. Some legislation concerns multiple pillars.

Executive summary cont.

- Legislative pillar the interplay between agencies and lawmakers and the related reform proposals and legal doctrines, including the <u>nondelegation doctrine</u>
 - 42 of this year's approved bills and resolutions across 21 states were in the legislative pillar. **Thirty-three** in 17 states **decreased** agency power.
 - These included legislative oversight reforms, such as REINS-style laws and sunset review acts.
- Judicial pillar interplay between agencies and the courts, including the level of <u>judicial</u> <u>deference</u> given to agency rules
 - 9 of the approved bills were in the judicial pillar, and **eight decreased** agency power.
 - Three states, Idaho, Indiana, and Nebraska, passed bills to **prohibit judicial deference** to agency interpretations, requiring courts to hear challenges to agency actions <u>de novo</u>.
- Executive pillar interplay between agencies and the executive branch, including <u>executive</u> <u>control</u> of appointment and removal
 - 20 of the approved bills were in the executive pillar across 12 states. **Fourteen** across eight states **decreased** agency power.
- The regulated how agencies relate to the **people and organizations** subject to their rules, including **procedural rights**, enforcement, and adjudication.
 - 44 of the approved bills were in the regulated pillar across 19 states. **Twenty-eight** across 15 states **decreased** agency power.
 - These included regulatory sandboxes, permitting and licensing provisions, and public notice and commentary requirements.
- Agencies the dynamics among agencies and sub-agencies
 - 28 of the approved bills were in the agency dynamics pillar across 19 states. **Twelve** across nine states **decreased** agency power.
 - These included the creation of regulatory reduction agencies and adjudication agencies and state agency restrictions relative to federal agency rules and guidance.
- States passed **120 state bills or resolutions** governing state agencies and their interactions with the state government and people. States passed **nine bills or resolutions** governing interactions between state and federal agencies and government entities.
- Ballotpedia separately tracked **30 federal bills** related to the administrative state in the 118th Congress, including legislation related to agency guidance transparency, codifying Chevron deference, codifying a prohibition on judicial deference, and a REINS act.

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About Ballotpedia's Administrative State Legislation Tracker

To capture state legislation related to the administrative state, we use:

- Automated keyword searches
- Manual bill review
- Real-time refinements based on keyword results and news monitoring

Ballotpedia's policy experts provide daily updates on bills and other relevant political developments and translate bill text into easy-to-digest summaries.

Our team manually reviews each bill added to the tracker and categorizes them by topic and subtopic. Our unique bill tracker user interface then allows users to search and filter by state trifecta status, the political party of bill sponsors, the status of the legislation, our system of topics and subtopics, text search, most recent action, and bill number.



Total bills tracked by legislative status

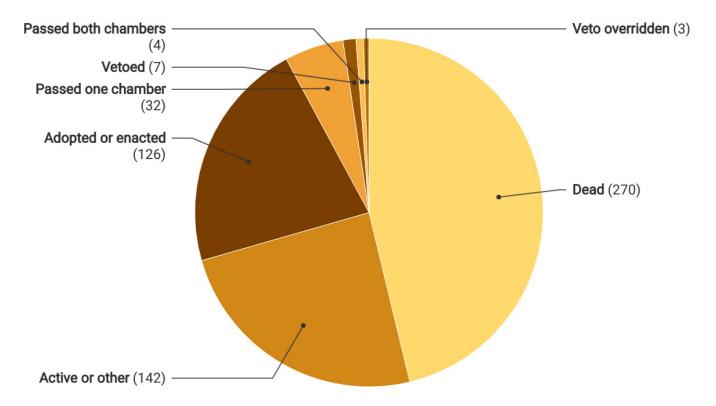
Most state legislative sessions have adjourned, and all but eleven of the significant administrative state-related bills and resolutions considered in 2024 have either been approved or will likely go no further this year.

Ballotpedia **tracked 583 bills** in 44 states related to administrative agency authority and action in 2024.

- Democratic trifectas considered 283 bills
- Republican trifectas considered 169 bills
- Divided governments considered 131 bills

The chart below depicts the bills tracked by their legislative status.

Admin state bills by legislative status, 2024



Current as of August 12, 2024

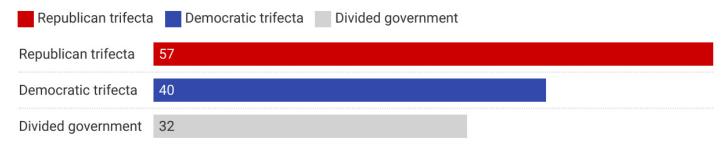
Enacted legislation highlights

Thirty-eight states **passed 129 bills** related to the administrative state.

- 88 reduced agency power.
- 9 increased agency power.
- 32 did not clearly increase or decrease agency power.

Administrative state-related bills and resolutions passed in 2024

Number of administrative state-related bills or resolutions approved in 2024, broken down by trifecta status.



Three bills of the 129 were enacted through veto overrides in states with Republican-controlled legislatures and Democratic governors. All three bills limited agency power.

Wisconsin and Arizona legislators <u>referred ballot measures</u> designed to reduce agency power to the August and November ballots, respectively.

Enacted legislation reducing agency power

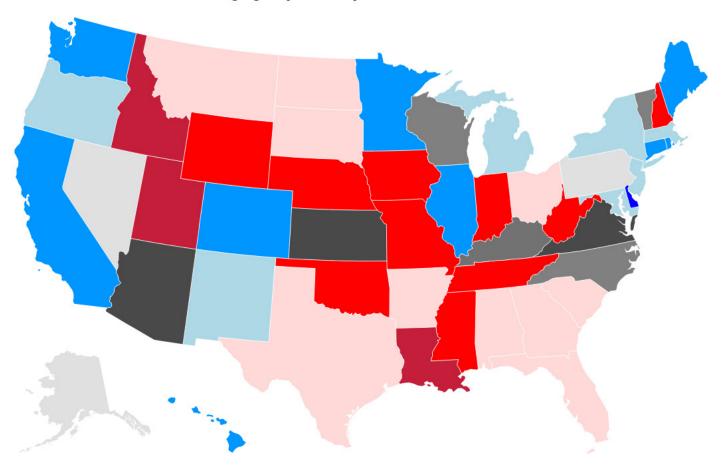
Thirty states passed 88 bills or resolutions reducing agency power.

- Partisan breakdown of new laws reducing agency power:
 - 13 Republican trifectas passed 44 bills (50%)
 - 10 Democratic trifectas passed 20 bills (23%)
 - 7 divided governments enacted 24 bills (27%)

States that passed bills and resolutions decreasing agency authority and influence in 2024

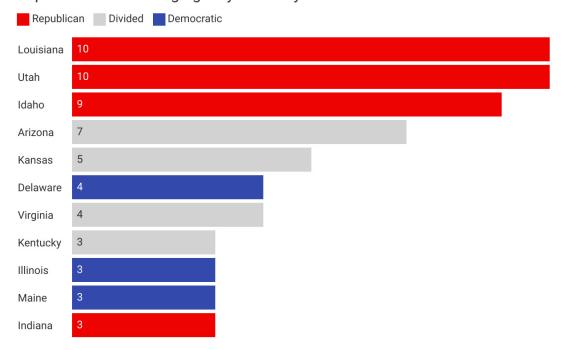
Democratic trifectas are in blue, Republican trifectas are in red, and states with divided governments are in gray. Darker shades indicate those states passed more bills decreasing agency authority in 2024. States in the lightest shades passed none.

Bills and resolutions decreasing agency authority and influence



The top 10 most active states in reducing agency power are shown in the chart below, shaded by their trifecta status:

Top 10 states reducing agency authority



Enacted legislation increasing agency power

Eight states passed nine bills increasing agency power. Here's the partisan breakdown:

- Four Democratic trifectas enacted four bills (50%)
- Two Republican trifectas enacted three bills (25%)
- Two divided governments enacted two bills (14%)

For example, Delaware Senate Bill 161 created new roles and offices in state agencies to implement diversity and fair employment practices. Michigan Senate Bill 14 allowed state agencies to implement rules that exceed federal regulations, which had been prohibited.

Legislation enacted through veto overrides

Three of the 129 bills were enacted through a veto override. All three reduced agency authority and were enacted in divided states with Republican-controlled legislatures and Democratic governors¹:

- Kansas enacted a REINS-style state law through an override.
- Kentucky enacted two bills through an override.
 - One creates the Energy Planning and Inventory Commission and requires utilities to give notice to the commission if they are seeking to retire a coal, oil, or natural gas electric plant. The bill requires the commission to hold a hearing in the affected county and create a report and recommendation for the Public Service Commission. The bill also prohibits the governor from reorganizing the new commission.
 - The other requires legislative approval for the removal, installation, or repair of statues, art, and monuments in the state capitol building.

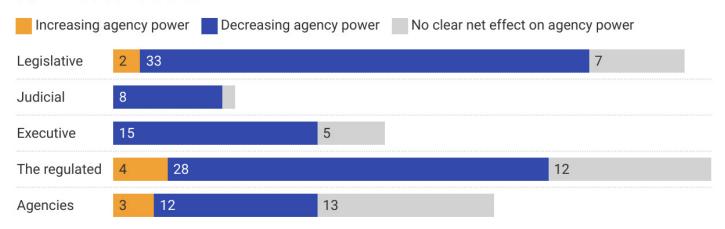
In Arizona, Gov. Katie Hobbs (D) vetoed a <u>REINS-style state law</u>, and the legislature responded by putting the law on the November 2024 ballot as a <u>measure</u> seeking voter approval.

Enacted legislation by pillar

Administrative agency actions can be understood according to how they interact with the three branches of government, the public regulated by the agencies, and each other, which we call the five pillars of the administrative state. Some legislation concerns multiple pillars.

The chart below shows how many of the enacted bills and resolutions in each pillar increased agency power, decreased agency power, or had no clear net effect one way or the other.

Bills and resolutions passed in 2024 according to the pillars of the administrative state



- Legislative pillar the interplay between agencies and lawmakers and the related reform proposals and legal doctrines, including the nondelegation doctrine
 - **42** of this year's approved bills and resolutions across 21 states were in the legislative pillar. **Thirty-three** in 17 states **decreased** agency power.
 - 8 Republican trifectas
 - 5 Democratic trifectas
 - 4 divided governments
 - These included legislative oversight reforms, such as REINS acts and sunset review acts.
 - Two states, Kansas and Indiana, passed bills with REINS-style provisions.
 - Arizona legislators referred a measure to the ballot that would implement REINS-style provisions if passed by voters in November.
- **Judicial pillar** interplay between agencies and the courts, including the level of **judicial deference** given to agency rules
 - 9 of the approved bills were in the judicial pillar, and **eight decreased** agency power.
 - Three Republican trifectas, Idaho, Indiana, and Nebraska, passed bills to prohibit judicial deference to agency interpretations, requiring courts to hear cases challenges to agency actions de novo.

- Executive pillar interplay between agencies and the executive branch, including executive control of appointment and removal
 - 20 of the approved bills were in the executive pillar across 12 states. **Fourteen** across eight states **decreased** agency power.
 - 4 Republican trifectas
 - 3 Democratic trifectas
 - 1 divided government
 - Utah passed a bill to require the governor to review agencies one year after creation to gauge their efficacy and to authorize the governor to deactivate and reactive boards.
- The regulated how agencies relate to the **people and organizations** subject to their rules, including **procedural rights**, enforcement, and adjudication.
 - 44 of the approved bills were in the regulated pillar across 19 states. **Twenty-eight** across 15 states **decreased** agency power.
 - 6 Republican trifectas
 - 4 Democratic trifectas
 - 5 Divided governments
 - This legislation included:
 - creating regulatory sandboxes for startup businesses,
 - · removing permitting or licensing restrictions,
 - establishing approval time limits or automatic approval for permit applications, and
 - public notice and commentary requirements.
- Agencies the dynamics among agencies and sub-agencies
 - 28 of the approved bills were in the agency dynamics pillar across 19 states. **Twelve** across nine states **decreased** agency power.
 - 3 Republican trifectas
 - · 3 Democratic trifectas
 - 3 divided governments
 - This legislation included:
 - creating agencies or sub-agencies designed to audit or reduce regulations;
 - creating separate agencies responsible for adjudication;
 - · limiting state agencies from instituting certain federal guidance, directives, or rules; and
 - prohibiting state agencies from enacting regulations more restrictive than federal agency rules.

Vetoed legislation

Governors vetoed eight bills that legislators did not approve by overriding the veto.

Six bills were in divided governments, one bill in California (a Democratic trifecta), and one bill in New Hampshire (a Republican trifecta). Arizona and Kansas have Republican-controlled legislatures and Democratic governors, and Vermont has a Democratic-controlled legislature and a Republican governor.

Six of the vetoed bills would have decreased agency authority. Five were vetoed by Democratic governors in Arizona and California. The Arizona measures were REINS-style bills and sunset review bills. One was vetoed in New Hampshire.

Arizona legislators voted to put the REINS-style proposal on the November ballot following its veto by Gov. Katie Hobbs (D).

One of the bills would have increased agency authority and was vetoed by a Republican governor in Vermont. One did not clearly aim to increase or reduce authority and was vetoed by a Democratic governor in Kansas.

Vetoed legislation by state Divided government Democratic trifecta Republican trifecta AZ 4 CA 1 KS 1 VT 1 NH 1

<u>Click here</u> to see all of the vetoed bills in the legislation tracker.

Noteworthy topics and bills

REINS-style acts

What does it do?

The Regulations from the Executive in Need of Scrutiny Act, also known as the **REINS Act**, is a legislative proposal at both the federal and state levels requiring legislative approval of agency regulations with certain financial or economic impacts before the regulations become effective.

REINS-style proposals are within the legislative pillar of the administrative state. They are designed to increase legislative oversight of and involvement in administrative agency rulemaking.

How many were tracked?

Nine states considered 12 different REINS-style bills or resolutions in 2024.

Two were enacted in <u>Indiana</u> and <u>Kansas</u>, and one was vetoed in <u>Arizona</u>. The Arizona Legislature, however, put a <u>REINS-style law</u> on the ballot after Gov. Katie Hobbs (D) vetoed it.

<u>Indiana Senate Bill 4</u> requires legislative approval for agencies to promulgate rules with an economic impact of \$1 million or more over two years. Indiana is a Republican trifecta.

Kansas House Bill 2648 requires legislative approval for a rule with compliance or implementation costs of over \$1 million in the initial five-year period following the adoption of the regulation. Kansas has a divided government. The Republican-controlled legislature voted to override Gov. Laura Kelly's (D) veto.

Arizona Senate Concurrent Resolution 1012 referred a measure to the November 2024 ballot for voter approval. If voters approve the measure, proposed rules estimated to increase regulatory costs by more than \$500,000 over five years will need legislative ratification to take effect.

- Gov. Katie Hobbs (D) vetoed similar bills in 2023 and 2024. A veto override requires a two-thirds (66.67%) vote in Arizona. Republicans hold a 53% majority in the Senate and a 52% majority in the House.
- The Arizona Legislature can place a measure on the ballot with a simple majority vote in each chamber and without the governor's signature.

Status of 2024 REINS legislation

- Signed into law 1
- Veto overridden 1
- Referred to the ballot 1
- Vetoed 1
- Not approved 8

Judicial deference

What does it do?

Judicial deference, in the context of administrative law, applies when a court yields to an agency's

interpretation of law. The level of deference that state or federal courts give to agency rules can be set by law or through precedent from previous court rulings. Laws can require a certain level of deference or they can require <u>de novo</u> judicial review of agency actions or rules without deference to a previous interpretation of the underlying statute.

How many were tracked?

Eight states considered eleven bills in 2024 designed to limit judicial deference to administrative agencies and require de novo review of agency rules. Six states were Republican trifectas, and two were Democratic trifectas.

Three of the eleven bills were enacted in <u>Idaho</u>, <u>Indiana</u>, and Nebraska, which were Republican trifectas.

Status of 2024 judicial deference bills

- Enacted 3
- **Vetoed** 0
- Veto overridden 0
- Not approved 8

Regulatory budgets and regulatory sandboxes

What does it do?

The term regulatory budget refers to policies limiting the cost that agencies can impose through rulemaking. Regulatory budgets often include deleting a certain number of rules or regulations for each new one created.

Regulatory sandboxes are legal frameworks that exempt new businesses from certain regulations, usually for a specified amount of time, to test themselves in the market.

How many were tracked?

28 states considered 54 bills designed to introduce regulatory budgets or significantly reduce agency regulations. Eight were enacted, with two from Utah, two from Hawaii, and one each from Rhode Island, North Carolina, Indiana, Louisiana, and Missouri. Five of the bills came from Republican trifectas, three came from Democratic trifectas, and one came from a divided government. Six bills had Republican sponsorship, one had Democratic sponsorship, and two had bipartisan sponsorship.

Status of 2024 regulatory reduction bills

- Enacted 9
- **Vetoed** 0
- Veto overridden 0
- Not approved 45

Post-Chevron regulation review in Utah

What does it do?

<u>Utah House Bill 470</u> requires state agencies to review federal regulations that impact them, particularly where Chevron deference was applied, and report them to the attorney general.

Federal legislation highlights

Ballotpedia tracked 30 federal bills related to administrative state reform in the 118th Congress as of August 2024. No bills have been enacted in 2024.

One bill, the <u>Providing Accountability Through Transparency Act</u>, became federal law on July 25, 2023. The Act requires agencies to include a link to an online summary with a notice of proposed rulemaking.

Notable federal bills in committee

The Guidance Out Of Darkness (GOOD) Act

What's the status?

As of August 2024, both houses of Congress had versions of the GOOD Act in committee.

What would it do?

The GOOD Act would require agencies to:

- have one website location for all their guidance documents,
- post guidance documents upon issuance, and
- maintain online copies of any canceled documents.

This reform proposal falls in the procedural rights pillar of the administrative state.

Who's sponsoring it?

Republicans sponsored the bills in both chambers.

The REINS Act

What's the status?

As of August 2024, the REINS Act had passed the House but was still in committee in the Senate.

What would it do?

The REINS Act would require agencies to:

- Gain legislative approval of federal regulations that impose costs that exceed a monetary threshold before they can take effect
- Include a cost-benefit analysis in proposed rules, as well as whether the rules are major or nonmajor rules according to the definition in the REINS Act
- Identify and repeal or amend existing rules to offset any costs of new rules to the U.S. economy

Who's sponsoring it?

Republicans sponsored the bills in both chambers.

The Stop Corporate Capture Act

What's the status?

As of August 2024, the Stop Corporate Capture Act was in committee.

What would it do?

The Stop Corporate Capture Act would, among other provisions, codify <u>Chevron deference</u>, which provides a framework for judges to defer to an agency's interpretation of a statute.

Who's sponsoring it?

Democrats sponsored the bill in the House.

The Separation of Powers Restoration Act (SOPRA)

What's the status?

SOPRA passed the House on June 15, 2023, and was still in committee in the Senate as of August 2024.

What would it do?

SOPRA would eliminate Chevron deference and require courts to hear cases de novo, or without consideration of agency interpretation.

Who's sponsoring it?

Republicans sponsored SOPRA.

What's left?

<u>Six state legislatures are still in regular session</u> as of August 2024: California, Michigan, Ohio, Pennsylvania, New Jersey, and Massachusetts. California's legislative session is set to adjourn at the end of the month, and Pennsylvania's session is set to adjourn on November 30. The other four states will stay in session until the end of December. The <u>118th United States Congress legislative</u> session is set to conclude on January 3, 2025.

Significant active state bills

Significant bills we are still tracking include two REINS-style laws in <u>Pennsylvania and Michigan</u>, <u>two</u> regulatory budget bills in Pennsylvania, and seven other regulatory reduction bills in <u>Pennsylvania</u>, <u>Ohio</u>, <u>and New Jersey</u> that propose regulatory sandboxes or review and repeal of agency rules.