

HOUSE BILL No. 1294

DIGEST OF INTRODUCED BILL

Citations Affected: IC 2-5-56.5; IC 4-22-2.

Synopsis: Administrative rules review. Establishes the administrative rules review committee. Requires an agency to submit a rule, including an executive order, and the latest version of the regulatory analysis with any supporting documents to the office of fiscal management and analysis of the legislative services agency to estimate the fiscal impact on state and local government. Provides that if the fiscal impact is estimated to be greater than \$300,000 in any two year period, the rule and supporting documents shall be provided to the administrative rules review committee for review. Provides that the rule described may not take effect unless authorized by a bill enacted by the general assembly, unless the governor certifies that an emergency exists and the rule is necessary to address the emergency. Specifies that a rule enacted to address an emergency expires after one year.

Effective: July 1, 2026.

Bascom, Jeter, Miller D, Bartels

January 6, 2026, read first time and referred to Committee on Government and Regulatory Reform.



Second Regular Session of the 124th General Assembly (2026)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2025 Regular Session of the General Assembly.

HOUSE BILL No. 1294

A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 2-5-56.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2026]:

4 **Chapter 56.5. Administrative Rules Review Committee**

5 **Sec. 1.** As used in this chapter, "agency" means any officer,
6 board, commission, department, division, bureau, committee, or
7 other governmental entity exercising any of the executive
8 (including the administrative) powers of state government. The
9 term does not include the legislative or judicial department of state
10 government or a political subdivision (as defined in IC 36-1-2-13).

11 **Sec. 2.** As used in this chapter, "committee" refers to the
12 administrative rules review committee established by section 4 of
13 this chapter.

14 **Sec. 3.** As used in this chapter, "rule" means the whole or any
15 part of a statement of general applicability, including an executive
16 order, that:

17 **(1)** has or is designed to have the effect of law; and



(2) implements, interprets, or prescribes:

(A) law or policy; or

(B) the organization, procedure, or practice requirements of an agency.

The term includes a fee, a fine, a civil penalty, a financial benefit limitation, or another payment amount set by an agency that otherwise qualifies as a rule.

Sec. 4. (a) The administrative rules review committee is established to serve the general assembly as a continuing committee. Except as otherwise provided by this section, the committee shall operate under the rules of the legislative council.

(b) The committee consists of the following twelve (12) members of the general assembly, including the chair and vice chair:

(1) Four (4) members appointed by the president pro tempore of the senate.

(2) Two (2) members appointed by the minority leader of the senate.

(3) Four (4) members appointed by the speaker of the house of representatives.

(4) Two (2) members appointed by the minority leader of the house of representatives.

(c) The president pro tempore of the senate shall appoint the chair of the committee beginning July 1 of odd-numbered years and the vice chair of the committee beginning July 1 of even-numbered years. The speaker of the house of representatives shall appoint the vice chair of the committee beginning July 1 in odd-numbered years and the chair of the committee beginning July 1 in even-numbered years.

(d) Except as otherwise provided in this chapter, the term of a member of the committee ends on June 30 of the next odd-numbered year following the member's appointment. However, the member may be reappointed to subsequent terms.

(e) A member of the committee may be removed at any time by the appointing authority who appointed the member.

(f) If a vacancy exists on the committee, the appointing authority who appointed the member whose position has become vacant shall appoint an individual to fill the vacancy. An individual appointed to fill a vacancy serves for the remainder of the term of the vacating member.

(g) If a member of the committee ceases to:

(1) be a member of the chamber from which the member was appointed; or



(2) hold the member's office;
the member ceases to be a member of the committee.

(h) Each member of the committee is entitled to receive the same per diem, mileage, and travel allowances paid to individuals who serve as legislative and lay members, respectively, of interim study committees established by the legislative council.

(i) The committee shall meet at the call of the chair. The committee may meet during the sessions of the general assembly and during the interim periods between sessions (as defined in IC 2-5-1.3-1).

(j) Seven (7) members of the committee constitute a quorum.

(k) The affirmative vote of a majority of the members appointed to the committee is required for the committee to take action on any measure.

(l) The committee shall review rules submitted to the committee under IC 4-22-2-34.5.

(m) All meetings of the committee are open to the public in accordance with and subject to IC 5-14-1.5. All records of the committee are subject to the requirements of IC 5-14-3.

(n) The legislative services agency shall staff the committee.

(o) All funds necessary to carry out this chapter shall be paid from appropriations to the legislative council and the legislative services agency.

SECTION 2. IC 4-22-2-13, AS AMENDED BY P.L.249-2023, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 13. (a) Subject to subsections (b), (c), and (d), this chapter applies to the addition, amendment, or repeal of a rule in every rulemaking action.

(b) This chapter does not apply to the following agencies:

(1) Any military officer or board.

(2) Any state educational institution.

(c) This chapter does not apply to a rulemaking action that results in any of the following rules:

(1) A resolution or directive of any agency that relates solely to internal policy, internal agency organization, or internal procedure and does not have the effect of law.

(2) A restriction or traffic control determination of a purely local nature that:

(A) is ordered by the commissioner of the Indiana department of transportation;

(B) is adopted under IC 9-20-1-3(d), IC 9-21-4-7, or IC 9-20-7; and



- 1 (C) applies only to one (1) or more particularly described
 2 intersections, highway portions, bridge causeways, or viaduct
 3 areas.
 4 (3) A rule adopted by the secretary of state under IC 26-1-9.1-526.
 5 (4) **Except as provided in sections 34.5 and 35 of this chapter,**
 6 an executive order or proclamation issued by the governor.
 7 (5) A rule adopted by the board of trustees of the Indiana public
 8 retirement system, as provided in IC 5-10.5-4-2. However, the
 9 board shall submit rules adopted by the board to the publisher for
 10 publication in the Indiana Register.
 11 (d) Except as specifically set forth in IC 13-14-9:
 12 (1) IC 13-14-9 provides supplemental procedures for notice and
 13 public comment concerning proposed rules for the boards listed
 14 in IC 13-14-9-1; and
 15 (2) the department of environmental management and the boards
 16 listed in IC 13-14-9-1 shall comply with the procedures in
 17 IC 13-14-9 in lieu of complying with sections 26, 27, and 29
 18 (except section 29(c)) of this chapter.
 19 In adopting rules, all other provisions of IC 4-22-2 apply to these
 20 agencies.
 21 SECTION 3. IC 4-22-2-34, AS AMENDED BY P.L.123-2006,
 22 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 JULY 1, 2026]: Sec. 34. (a) The governor may approve or disapprove
 24 a rule submitted under section 33 of this chapter with or without cause.
 25 (b) The governor has fifteen (15) days from the date that an agency
 26 submits a rule under section 33 of this chapter to approve or disapprove
 27 the rule. However, the governor may take thirty (30) days to approve
 28 or disapprove the rule if the governor files a statement with the
 29 publisher within the first fifteen (15) days after an agency submits the
 30 rule that states that the governor intends to take an additional fifteen
 31 (15) days to approve or disapprove the rule.
 32 (c) If the governor neither approves nor disapproves the rule within
 33 the allowed period, the rule is deemed approved, and the agency may
 34 submit the rule ~~to the publisher~~ **under subsection (d)** without the
 35 approval of the governor.
 36 (d) **After:**
 37 (1) **a rule has been approved or deemed approved under this**
 38 **section; and**
 39 (2) **the regulatory analysis required under sections 22.7 and**
 40 **22.8 of this chapter has been completed, if applicable;**
 41 **the agency shall submit the rule to the legislative council under**
 42 **section 34.5 of this chapter.**



SECTION 4. IC 4-22-2-34.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 34.5. (a) This section applies to a rule:**

- (1) subject to sections 23 through 36 of this chapter and if the agency commences the rulemaking action after June 30, 2026, under section 23 of this chapter; or**
- (2) that is an executive order.**

(b) After a rule has been approved or deemed approved under section 34 of this chapter, or, if the rule is an executive order, issued by the governor, and after the regulatory analysis required by sections 22.7 and 22.8 has been completed, if applicable, the agency shall submit the rule to the legislative council, in an electronic format under IC 5-14-6. The office of fiscal management and analysis of the legislative services agency shall conduct a fiscal analysis of the rule. The agency shall submit the following for review by the office of fiscal management and analysis, if applicable:

- (1) The rule in the form required by section 20 of this chapter, or the executive order.**
- (2) The latest version of the regulatory analysis submitted to the budget agency and the office of management and budget under section 22.8 of this chapter.**
- (3) Any data, studies, or analyses relied on by the agency to develop the regulatory analysis in the manner specified in section 17.5 of this chapter.**
- (4) Any proposals submitted under IC 13-14-8-2 or IC 13-14-8-5 that are applicable to the rule.**
- (5) Any other:**
 - (A) documents or information requested by the legislative council;**
 - (B) documents or information required to be submitted to the attorney general or governor with a rule for approval under sections 31 through 34 of this chapter; and**
 - (C) documents or information demonstrating approval by the attorney general and governor under sections 31 through 34 of this chapter.**

(c) If, after completing the fiscal analysis described in subsection (b), the office of fiscal management and analysis estimates the fiscal impact on state and local government to be greater than three hundred thousand dollars (\$300,000) in any two (2) year period, the office of fiscal management and analysis shall provide the fiscal analysis, the rule, and the supporting documents under this section



1 to the administrative rules review committee for review. Except as
 2 provided in subsection (e), a rule subject to review under this
 3 subsection may not take effect unless authorized by a bill enacted
 4 by the general assembly.

5 (d) Except as provided in subsection (e), a rule subject to review
 6 under subsection (c):

7 (1) must be authorized by a bill enacted by the general
 8 assembly before the publisher may accept the rule for filing
 9 under section 35 of this chapter, if the rule is not an executive
 10 order; or

11 (2) is void unless authorized by a bill enacted by the general
 12 assembly, if the rule is an executive order.

13 (e) If the governor certifies that an emergency exists and that
 14 the rule is necessary to address the emergency, the rule takes effect
 15 immediately (or as specified in the rule) and expires one (1) year
 16 after the date of the governor's certification. A rule that has
 17 expired and is sought to be renewed or revived, or a substantially
 18 similar rule, may not go into effect unless authorized by a bill
 19 enacted by the general assembly.

20 (f) At any time before the conclusion of the rulemaking process,
 21 an agency, or the governor, if the rule is an executive order, may
 22 obtain a preliminary fiscal analysis of a proposed rule by
 23 submitting the proposed rule to the legislative council in an
 24 electronic format under IC 5-14-6. The office of fiscal management
 25 and analysis of the legislative services agency shall conduct a
 26 preliminary fiscal analysis of the proposed rule. The agency shall
 27 submit to the office of fiscal management and analysis the material
 28 described in subsection (b)(1) through (b)(5).

29 SECTION 5. IC 4-22-2-35, AS AMENDED BY P.L.123-2006,
 30 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 JULY 1, 2026]: Sec. 35. (a) **Except as provided in subsection (d) and**
 32 **subject to section 34.5 of this chapter**, when a rule has been approved
 33 or deemed approved by the governor within the period allowed by
 34 section 25 of this chapter, the agency shall immediately submit the rule
 35 to the publisher for filing. The agency shall submit the rule in the form
 36 required by section 20 of this chapter and with the documents required
 37 by section 21 of this chapter.

38 (b) The agency shall submit to the publisher the copies of the rule
 39 and other documents specified in section 31 of this chapter.

40 (c) Subject to section 39 of this chapter, the publisher shall:

41 (1) accept the rule for filing; and

42 (2) electronically record the date and time the rule is accepted.



(d) Except as provided in section 34.5(e) of this chapter, a rule required to be provided to the administrative rules review committee for review under section 34.5(c) of this chapter may not be submitted to the publisher until the rule has been authorized by a bill enacted by the general assembly.

SECTION 6. IC 4-22-2-40, AS AMENDED BY P.L.249-2023, SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 40. (a) At any time before a rule is accepted for filing by the publisher under section 35, 37.1, 37.2, or 38 of this chapter, the agency that adopted the rule may recall it. A rule may be recalled regardless of whether:

(1) the rule has been disapproved by the attorney general under section 32 of this chapter; ~~or~~

(2) the rule has been disapproved by the governor under section 34 of this chapter; ~~or~~

(3) the rule has been reviewed by the administrative rules review committee under section 34.5 of this chapter.

(b) IC 13-14-9 and sections 23 through 38 of this chapter do not apply to a recall action under this section. However, the agency shall distribute a notice of its recall action to the publisher for publication in the Indiana Register. IC 13-14-9 and sections 23 and 26 of this chapter do not apply to a readoption action under subsection (c).

(c) After an agency recalls a rule, the agency may reconsider its adoption action and adopt an identical rule or a revised rule. However, if IC 13-14-9 or sections 23 through 36 of this chapter apply to the recalled rule, the readopted rule must comply with the requirements under section 29 of this chapter or IC 13-14-9-9 (as applicable).

(d) The recall of a rule under this section voids any approval given after the rule was adopted and before the rule was recalled.

(e) If a rule is:

(1) subject to sections 31, ~~and 33~~, **and 34.5** of this chapter;

(2) recalled under subsection (a); and

(3) readopted under subsection (c);

the agency shall resubmit the readopted version of the recalled rule to the attorney general and the governor for approval, **and to the administrative rules review committee.** The attorney general and the governor have the full statutory period to approve or disapprove the readopted rule. The agency shall resubmit the readopted version of a recalled rule to the office of management and budget with sufficient information for the office of management and budget to evaluate whether the initial regulatory analysis submitted to the office of management and budget under section 22.8 of this chapter needs to be



1 revised. If the impact of the readopted rule is substantially different
2 from the recalled rule, the agency shall submit the revised regulatory
3 analysis to the publisher for publication in the Indiana Register with the
4 document control number assigned by the publisher to the rule. The
5 agency also shall comply with any other applicable approval
6 requirement provided by statute.

7 (f) The readopted version of a recalled rule is effective only after the
8 agency has complied with section 35, 37.1, 37.2, or 38 of this chapter.

