

PRINTING CODE. Deletions appear in ~~this style type~~. Insertions appear in this style type. Typeface changes are shown in ~~this~~ ~~style~~ ~~type~~ or in this style type.

SENATE BILL No. 172

Proposed Changes to introduced printing by AM017204

DIGEST OF PROPOSED AMENDMENT

Administrative rules review. Establishes the administrative rules oversight committee (oversight committee) with oversight review of rules of any agency if the implementation and compliance costs of the proposed rule of the agency is expected to exceed a specified threshold. Sets forth the membership of the oversight committee. Amends provisions for the adoption of administrative rules that require budget committee review under current law to instead require oversight committee review under those provisions.

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 4-12-2.5 IS ADDED TO THE INDIANA CODE
- 2 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
- 3 UPON PASSAGE]:
- 4 Chapter 2.5. Administrative Rules Oversight Committee
- 5 Sec. 1. As used in this chapter, "agency" has the meaning set
- 6 forth in IC 4-22-2-3.
- 7 Sec. 2. As used in this chapter, "committee" refers to the
- 8 administrative rules oversight committee established by section 4
- 9 of this chapter.
- 10 Sec. 3. As used in this chapter, "rule" has the meaning set
- 11 forth in IC 4-22-2-3.
- 12 Sec. 4. The administrative rules oversight committee is
- 13 established.
- 14 Sec. 5. (a) The committee consists of the following twelve (12)
- 15 members of the general assembly:
- 16 (1) The chairperson of the senate appropriations committee.
- 17 (2) The ranking majority member of the senate

2026

IN 172—LS 6401/DI 125



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

M
a
r
k
u
p

appropriations committee.

(3) The chairperson of the senate tax and fiscal policy committee.

(4) The ranking majority member of the senate tax and fiscal policy committee.

(5) The chairperson of the house ways and means committee.

(6) The ranking majority member of the house ways and means committee.

(7) The chairperson of the house government and regulatory reform committee.

(8) The ranking majority member of the house government and regulatory reform committee.

(9) Two (2) minority members of the house of representatives appointed by the speaker of the house of representatives as follows:

(A) The ranking minority member of the house ways and means committee.

(B) One (1) other minority member of the house ways and means committee.

(10) Two (2) minority members of the senate appointed by the president pro tempore of the senate as follows:

(A) The ranking minority member of the senate appropriations committee.

(B) The ranking minority member of the senate tax and fiscal policy committee.

(b) Legislative appointments to the committee under subsection (a)(9) and (a)(10) shall be made within fifteen (15) days after the official selection of the president pro tempore of the senate and the speaker of the house of representatives. However, in the case of 2026, the legislative appointments to the committee under subsection (a)(9) and (a)(10) shall be made after the adjournment sine die of the second regular session of the one hundred twenty-fourth general assembly and before July 1, 2026. Each member appointed under subsection (a)(9) and (a)(10) shall serve at the will and pleasure of the member's respective appointing leadership or until the member's term as a member of the general assembly expires, whichever is shorter.

(c) Any vacancy occurring on the committee must be filled by the appointing authority for the unexpired term.

Sec. 6. (a) The chairperson of the committee shall be:

(1) the chairperson of the senate appropriations committee, in those years that the chairperson of the house ways and



means committee is serving as the chair of the budget committee; and

(2) the chairperson of the house ways and means committee, in those years that the chairperson of the senate appropriations committee is serving as the chair of the budget committee.

(b) Unless the committee has no agenda, the committee shall meet on those same days of the year and at the same location that the budget committee has fixed to meet. The committee shall fix the time for its meetings.

Sec. 7. (a) The rule of any agency shall be subject to committee review if the implementation and compliance costs of the proposed rule are expected to exceed the threshold set forth in IC 4-22-2-22.7(c)(6).

(b) However, this section does not apply to a rule described in IC 4-22-2-22.7(f).

(c) For purposes of any statute that requires committee review before an action may be taken by a state agency or other entity, committee review is considered to have taken place when the action requiring review has been included on an approved agenda of the committee in the part of the agenda concerning review items.

Sec. 8. (a) Seven (7) members of the committee constitute a quorum.

(b) The affirmative vote of seven (7) members of the committee is required for the committee to take any action.

Sec. 9. (a) Each member of the committee is entitled to receive the same per diem, mileage, and travel allowances paid to members of the general assembly serving on interim study committees established by the legislative council. These expenses shall be paid from funds appropriated to the legislative council.

(b) Members of the committee shall not receive a salary per diem under this section if the member receives any salary per diem for the member's services at a budget committee meeting on the same day under IC 4-12-1-11(b).

Sec. 10. Staff for the committee shall be provided by the legislative services agency.

SECTION 2. IC 4-22-2-19.6, AS AMENDED BY P.L.128-2024, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 19.6. (a) A rule adopted under this article or IC 13-14-9 that includes a fee, fine, or civil penalty must comply with this section. Subsections (b), (c), and (d) do not apply to a rule that must be adopted in a certain form to comply with federal law.



M
a
r
k
u
p

(b) For each fee, fine, or civil penalty imposed by an agency that is not set as a specific amount in a state law, a rule must describe the circumstances for which the agency will assess a fee, fine, or civil penalty and set forth the amount of the fee, fine, or civil penalty:

(1) as a specific dollar amount;

(2) under a formula by which a specific dollar amount can be reasonably calculated by persons regulated or otherwise affected by the rule; or

(3) as a range of potential dollar amounts, stating the factors that the agency will utilize to set a specific dollar amount in an individual case with sufficient certainty that a review of an agency action under IC 4-21.5 or comparable process can evaluate whether the amount was reasonable.

A rule concerning fines or civil penalties does not prohibit an agency to enter into a settlement agreement with a person against whom a fine or civil penalty is being assessed to determine the fine or civil penalty to be paid for a violation.

(c) The amount of a fee must be reasonably based on the amount necessary to carry out the purposes for which the fee is imposed.

(d) An agency setting a fine or civil penalty shall consider the following:

(1) Whether the violation has a major or minor impact on the health, safety, or welfare of a person, the health or safety of animals or natural resources, or other facts set forth in the agency's rule.

(2) The number of previous violations committed by the offender of laws, rules, or programs administered by the agency.

(3) The need for deterrence of future violations.

(4) Whether the conduct, if proved beyond a reasonable doubt, would constitute a criminal offense, and the level of penalty set by law for the criminal offense.

(e) An agency is not liable for a fee, fine, or civil penalty that is not in conformity with this section if

(1) the fee, fine, or civil penalty was included in a rule that became effective before January 1, 2023, and that otherwise complies with subsection (b).

(2) the fee, fine, or civil penalty was:

(A) set by an agency before January 1, 2023;

(B) reviewed by the budget committee:

(i) in the case of the department of environmental management; the boards listed in IC 13-14-9-1; the natural resources commission; the department of



natural resources; the Indiana gaming commission; and the Indiana horse racing commission; before December 31, 2023; and

(ii) in the case of an agency not described in item (i); before July 1, 2024; and

(C) included in a rule that complies with this section and becomes effective before:

(i) in the case of the department of environmental management; the boards listed in IC 13-14-9-1; the natural resources commission; the department of natural resources; the Indiana gaming commission; and the Indiana horse racing commission; December 31, 2024; and

(ii) in the case of an agency not described in item (i); July 1, 2025; or

(3) the agency withdraws or otherwise ceases to enforce or apply the fee, fine, or civil penalty before:

(A) in the case of the department of environmental management; the boards listed in IC 13-14-9-1; the natural resources commission; the department of natural resources; the Indiana gaming commission; and the Indiana horse racing commission; December 31, 2023; and

(B) in the case of an agency not described in clause (A); July 1, 2024;

Readoption without changes under IC 4-22-2.6 of a nonconforming fee, fine, or civil penalty that meets the requirements of subdivision (1) or (2) does not invalidate the nonconforming fee, fine, or civil penalty.

(f) Beginning January 1, 2024, an agency shall post on its website a schedule of fines and civil penalties that apply to violations of laws, rules, and requirements of federal programs administered by the agency.

SECTION 3.] IC 4-22-2-22.7, AS AMENDED BY P.L.93-2024, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 22.7. (a) Before complying with section 22.8, 37.1, or 37.2 of this chapter, an agency shall conduct a regulatory analysis for the proposed rule that complies with the requirements of this section.

(b) The office of management and budget shall set standards for the criteria, analytical method, treatment technology, economic, fiscal, and other background data to be used by an agency in the regulatory analysis. The regulatory analysis must be submitted in a form that can be easily loaded into commonly used business analysis software and



published in the Indiana Register using the format jointly developed by the publisher, the office of management and budget, and the budget agency. The office of management and budget may provide more stringent requirements for rules with fiscal impacts and costs above a threshold amount determined by the office of management and budget.

(c) At a minimum, the regulatory analysis must include findings and any supporting data, studies, or analyses prepared for a rule that demonstrate compliance with the following:

(1) The cost benefit requirements in IC 4-3-22-13.

(2) Each of the standards in section 19.5 of this chapter.

(3) If applicable, the requirements for fees, fines, and civil penalties in section 19.6 of this chapter.

(4) The annual economic impact on small businesses statement required under IC 4-22-2.1-5.

(5) If applicable, the information required under IC 13-14-9-4.

(6) A determination whether the combined implementation and compliance costs of a proposed rule are at least ~~one million dollars (\$1,000,000)~~ **one hundred thousand dollars (\$100,000)** for businesses, units, and individuals over any ~~two~~ **(1)** year period.

(7) Any requirement under any other law to conduct an analysis of the cost, benefits, economic impact, or fiscal impact of a rule, if applicable.

(d) The regulatory analysis must include a statement justifying any requirement or cost that is:

(1) imposed on a regulated entity under the rule; and

(2) not expressly required by:

(A) the statute authorizing the agency to adopt the rule; or

(B) any other state or federal law.

The statement required under this subsection must include a reference to any data, studies, or analyses relied upon by the agency in determining that the imposition of the requirement or cost is necessary.

(e) Except as provided in subsection (f), if the implementation and compliance costs of a proposed rule are expected to exceed the threshold set forth in subsection (c)(6), the publisher may not publish the proposed rule until the ~~budget committee~~ **administrative rules oversight committee** has reviewed the rule.

(f) Subsection (e) does not apply to a proposed rule if the proposed rule is:

(1) a provisional rule that was issued as the result of the governor declaring an emergency under IC 10-14-3 and is only valid during the emergency;



(2) a provisional or interim rule that complies only with the requirements of a:

- (A) federal law;
- (B) federal regulation; or
- (C) federal grant or loan program; or

(3) an interim rule that incorporates a new or updated:

- (A) building;
- (B) equipment;
- (C) firefighting;
- (D) safety; or
- (E) professional;

code.

(g) If an agency has made a good faith effort to comply with this section, a rule is not invalid solely because the regulatory analysis for the proposed rule is insufficient or inaccurate.

SECTION ~~22.8~~ [4]. IC 4-22-2-22.8, AS AMENDED BY P.L.1-2025, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 22.8. (a) After conducting a regulatory analysis under section 22.7 of this chapter, if an agency ~~elects to adopt~~ **may begin rulemaking procedures for** a rule subject to section 23 of this chapter or IC 13-14-9 **only if the agency has demonstrated to the satisfaction of the governor that the rule meets at least one (1) of the following conditions:**

(1) The combined implementation and compliance costs of the rule do not exceed five hundred thousand dollars (\$500,000) for businesses, units, and individuals over any two (2) year period.

(2) The rule is necessary to comply with a deadline established by federal or state law.

(3) The rule is necessary to comply with an order of a court.

(4) The rule is related to the licensing and regulating of health care services or health care facilities.

(5) The rule is necessary for a reason listed in section 37.1(b)(1) of this chapter.

(6) The rule is necessary to implement a program or category of rule listed in section 37.2(b) of this chapter.

(b) The agency shall submit a request to the ~~budget agency and the office of management and budget to authorize commencement of the public comment periods under this chapter or IC 13-14-9 (as applicable):~~ governor to authorize the use of rulemaking procedures in the form and in the manner required by the governor. The request must include the following:



(1) A general description of the subject matter of the proposed rule.

(2) The full text of the proposed rule (including a copy of any matter incorporated by reference under section 21 of this chapter) in the form required by the publisher, including citations to any related authorizing and affected Indiana statutes.

(3) The regulatory analysis, including supporting data, prepared under section 22.7 of this chapter.

(4) Any other information required by the ~~office of management and budget~~ **governor**.

(c) The governor may do the following:

(1) Return the request to the agency with a statement describing any additional information needed to authorize or disapprove further rulemaking actions on one (1) or more of the rules in the request.

(2) Authorize the use of rulemaking procedures for one (1) or more of the rules in the request with or without changes.

(3) Disapprove the use of rulemaking procedures for one (1) or more of the rules with a statement of reasons for the disapproval.

(d) If the governor authorizes the use of rulemaking procedures and the agency elects to adopt a rule subject to section 23 of this chapter or IC 13-14-9, the agency shall submit a request to the budget agency and the office of management and budget to authorize commencement of the public comment periods under this chapter or IC 13-14-9 (as applicable). The request must include the documents submitted to the governor under subsection (b) and any other information required by the budget agency or the office of management and budget.

~~(b)~~ **(e) The budget agency and the office of management and budget shall expedite the review of the request to adopt a rule. The budget agency and the office of management and budget may do the following:**

(1) Return the request to the agency with a statement describing any additional information needed to authorize or disapprove further rulemaking actions on one (1) or more of the rules in the request.

(2) Authorize the commencement of the public comment periods on one (1) or more of the rules in the request with or without changes.

(3) Disapprove commencement of the public comment periods on one (1) or more of the rules with a statement of reasons for



the disapproval.

(e) (f) If an agency has requested authorization for more than one (1) rule in the same request, the **governor or the** budget agency and the office of management and budget, **as applicable**, may make separate determinations with respect to some or all of the rules in the request. Approval of a request shall be treated as a determination that the review conducted and findings made by the agency comply with the requirements of section 22.7 of this chapter and this section. The budget agency and the office of management and budget may not approve any part of a proposed rule that adds or amends language to increase or expand application of a fee, fine, or civil penalty or a schedule of fees, fines, or civil penalties before submitting the proposed rule to the [budget committee administrative rules oversight] committee for review.

(d) (g) If the implementation and compliance costs of a proposed rule are expected to exceed the threshold set forth in section 22.7(c)(6) of this chapter, the office of management and budget shall submit the rule to the legislative council, in an electronic format under IC 5-14-6, within thirty (30) days of completing the review of the regulatory analysis. The chairperson of the legislative council shall inform members of the [budget committee administrative rules oversight] committee of a rule submitted under this subsection. The budget agency and the office of management and budget may not approve any part of a proposed rule covered by this subsection prior to review of the proposed rule by the [budget committee administrative rules oversight] committee.

(e) (h) Notice of ~~the determination~~ **each determination under this section** shall be provided to the agency in an electronic format required by the publisher. The **governor, the** budget agency, and the office of management and budget may return to the agency any copy of a matter incorporated by reference under section 21 of this chapter that was submitted with the request.

(f) (i) If an agency revises a proposed rule after the:

(1) **governor approves the use of rulemaking procedures; or**

(2) budget agency and the office of management and budget authorize commencement of the public comment periods;

the agency must obtain a new notice of determination under subsection [e]: **(b) or (d), or both, as applicable**. The agency shall resubmit to the **governor or to the** budget agency and the office of management and budget the revised proposed rule and a revised regulatory analysis with sufficient information for the **governor or the** budget agency and the office of management and budget to determine



the impact the revisions have on the regulatory analysis previously reviewed by the **governor or the** budget agency and the office of management and budget. After obtaining a new notice **or notices** of determination, the agency shall submit to the publisher the new notice **or notices** of determination, the revised proposed rule, and the revised regulatory analysis.

SECTION ~~4-22-2-23~~ [5]. IC 4-22-2-23, AS AMENDED BY P.L.93-2024, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 23. (a) An agency shall provide notice in the Indiana Register of the first public comment period required by this section. To publish notice of the first public comment period in the Indiana Register, the agency must submit the following to the publisher:

(1) A statement of the date, time, and place at which the hearing required by section 26 of this chapter will be convened, including information for how to attend the public hearing remotely.

(2) The full text of the agency's proposed rule in the form required by section 20 of this chapter and the documents required by section 21 of this chapter.

(3) 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.

(4) The determination of the governor authorizing the use of rulemaking procedures.

~~(4)~~ **(5)** The determination of the budget agency and the office of management and budget authorizing commencement of the public comment periods.

~~(5)~~ **(6)** If the proposed rule adds or amends language to increase or expand application of a fee, fine, or civil penalty or a schedule of fees, fines, or civil penalties, the agenda of the ~~[budget committee]~~ [budget committee administrative rules oversight committee] meeting at which the rule was scheduled for review.

~~(6)~~ **(7)** If the proposed rule is expected to exceed the threshold set forth in section 22.7(c)(6) of this chapter, the agenda of the ~~[budget committee]~~ [budget committee administrative rules oversight committee] meeting at which the rule was scheduled for review.

~~(7)~~ **(8)** The notice required under subsection (b).

(b) The notice of the first public comment period must include the following:

(1) A general description of the subject matter of the proposed



- 1 rule.
- 2 (2) An overview of the intent and scope of the proposed rule and
- 3 the statutory authority for the rule.
- 4 (3) The latest version of the regulatory analysis submitted to the
- 5 budget agency and the office of management and budget under
- 6 section 22.8 of this chapter, excluding any appendices containing
- 7 any data, studies, or analyses referenced in the regulatory
- 8 analysis.
- 9 (4) Information concerning where, when, and how a person may
- 10 submit written comments on the proposed rule, including contact
- 11 information concerning the small business regulatory
- 12 coordinator required by section 28.1 of this chapter.
- 13 (5) Information concerning where, when, and how a person may
- 14 inspect and copy the regulatory analysis, and any data, studies,
- 15 or analyses referenced under subdivision (3).
- 16 (6) Information concerning where, when, and how a person may
- 17 inspect any documents incorporated by reference into the
- 18 proposed rule under section 21 of this chapter.
- 19 (7) An indication that, if the agency does not receive any
- 20 substantive comments during the public comment period or
- 21 public hearing, the agency may adopt a rule that is the same as
- 22 or does not substantially differ from the text of the proposed rule
- 23 published under this section.
- 24 Inadequacy or insufficiency of the published description or regulatory
- 25 analysis in a notice published under this section does not invalidate a
- 26 rulemaking action.
- 27 (c) Although the agency may comply with the publication
- 28 requirements of this section on different days, the agency must comply
- 29 with all of the publication requirements of this section at least thirty
- 30 (30) days before the public hearing required by section 26 of this
- 31 chapter is convened.
- 32 (d) The publisher shall review materials submitted under this
- 33 section and determine the date that the publisher intends to publish the
- 34 text of the proposed rule and the notice in the Indiana Register. If the
- 35 submitted material complies with this section, the publisher shall
- 36 establish the intended publication date, assign a document control
- 37 number to the proposed rule, and provide a written or an electronic
- 38 mail authorization to proceed to the agency. The publisher shall publish
- 39 the following in the Indiana Register on the intended publication date:
- 40 (1) The notice of the first public comment period, including any
- 41 information required under IC 13-14-9-4 (if applicable).
- 42 (2) The full text of the agency's proposed rule (excluding the full



1 text of a matter incorporated by reference under section 21 of
2 this chapter).

3 SECTION ~~4-22-2-37.1~~ [6]. IC 4-22-2-37.1, AS AMENDED BY
4 P.L.93-2024, SECTION 15, IS AMENDED TO READ AS FOLLOWS
5 [EFFECTIVE JULY 1, 2026]: Sec. 37.1. (a) The following do not apply
6 to a rule adopted under this section:

7 (1) Sections 23 through 27 of this chapter or IC 13-14-9 (as
8 applicable).

9 (2) Sections 28 through 36 of this chapter.

10 The amendments to this section made in the 2023 regular session of the
11 general assembly apply to provisional rules that are accepted for filing
12 by the publisher of the Indiana Register after June 30, 2023, regardless
13 of whether the adopting agency initiated official action to adopt the rule
14 by the name of emergency rule or provisional rule before July 1, 2023.
15 An action taken before July 1, 2023, in conformity with this section (as
16 effective after June 30, 2023) is validated to the same extent as if the
17 action was taken after June 30, 2023.

18 (b) An agency may adopt a rule on a subject for which the agency
19 has rulemaking authority using the procedures in this section if the
20 governor finds that the agency proposing to adopt the rule has
21 demonstrated to the satisfaction of the governor that use of provisional
22 rulemaking procedures under this section:

23 (1) is necessary to avoid:

24 ~~(1) (A)~~ (A) an imminent and a substantial peril to public health,
25 safety, or welfare;

26 ~~(2) (B)~~ (B) an imminent and a material loss of federal funds for
27 an agency program;

28 ~~(3) (C)~~ (C) an imminent and a material deficit;

29 ~~(4) (D)~~ (D) an imminent and a substantial violation of a state or
30 federal law or the terms of a federal agreement or program;

31 ~~(5) (E)~~ (E) injury to the business or interests of the people or
32 any public utility of Indiana as determined under
33 IC 8-1-2-113;

34 ~~(6) (F)~~ (F) an imminent and a substantial peril to:

35 ~~(A) (i)~~ (i) wildlife; or

36 ~~(B) (ii)~~ (ii) domestic animal;

37 health, safety, or welfare; or

38 ~~(7) (G)~~ (G) the spread of invasive species, pests, or diseases
39 affecting plants; **and**

40 **(2) will result in a rule for which the combined**
41 **implementation and compliance costs of the rule would not**
42 **exceed five hundred thousand dollars (\$500,000) for**



1 **businesses, units, and individuals if effective over a two (2)**
 2 **year period.**

3 To obtain a determination from the governor, an agency must submit
 4 to the governor the text of the proposed provisional rule, the regulatory
 5 analysis required under section 22.7 of this chapter, a statement
 6 justifying the need for provisional rulemaking procedures, and any
 7 additional information required by the governor in the form and in the
 8 manner required by the governor.

9 (c) The governor may not approve provisional rulemaking for any
 10 part of a proposed provisional rule that:

- 11 (1) adds or amends language to increase or expand application
- 12 of a fee, fine, or civil penalty or a schedule of fees, fines, or civil
- 13 penalties; or
- 14 (2) is expected to exceed the threshold set forth in section
- 15 22.7(c)(6) of this chapter;

16 prior to the ~~[budget]~~ committee's administrative rules oversight
 17 committee's review of the proposed provisional rule. A notice of
 18 determination by the governor shall include findings that explain the
 19 basis for the determination. The notice of determination shall be
 20 provided to the agency in an electronic format. Approval of a request
 21 shall be treated as a determination that the rule meets the criteria in
 22 subsection (b) and this subsection.

23 (d) After the governor approves provisional rulemaking
 24 procedures for a rule but before the agency adopts the provisional rule,
 25 the agency shall obtain a document control number from the publisher.
 26 The publisher shall determine the documents and the format of the
 27 documents that must be submitted to the publisher to obtain a
 28 document control number. The agency must submit at least the
 29 following:

- 30 (1) The full text of the proposed provisional rule in the form
- 31 required by section 20 of this chapter.
- 32 (2) The regulatory analysis submitted to the governor under
- 33 subsection (b).
- 34 (3) A statement justifying the need for provisional rulemaking.
- 35 (4) The approval of the governor to use provisional rulemaking
- 36 procedures required by law.
- 37 (5) The documents required by section 21 of this chapter.
- 38 (6) If the proposed provisional rule adds or amends language to
- 39 increase or expand the application of a fee, fine, or civil penalty,
- 40 or a schedule of fees, fines, or civil penalties, the agenda of the
- 41 ~~[budget]~~ committee administrative rules oversight
 42 committee meeting at which the rule was scheduled for



M
a
r
k
u
p

review.

(7) If the proposed provisional rule is expected to exceed the threshold set forth in section 22.7(c)(6) of this chapter, the agenda of the ~~[budget]~~ committee administrative rules oversight committee meeting at which the rule was scheduled for review.

An agency may not adopt a proposed provisional rule until after the publisher notifies the agency that the publisher has complied with subsection (e). At least ten (10) regular business days must elapse after the publisher has complied with subsection (e) before the department of natural resources, the natural resources commission, the department of environmental management, or a board that has rulemaking authority under IC 13 adopts a provisional rule.

(e) Upon receipt of documents described in subsection (d), the publisher shall distribute the full text of the proposed provisional rule to legislators and legislative committees in the manner and the form specified by the legislative council or the personnel subcommittee of the legislative council acting for the legislative council. After distribution has occurred, the publisher shall notify the agency of the date that distribution under this subsection has occurred.

(f) After the document control number has been assigned and the agency adopts the provisional rule, the agency shall submit the following to the publisher for filing:

(1) The text of the adopted provisional rule. The agency shall submit the provisional rule in the form required by section 20 of this chapter.

(2) A signature page that indicates that the agency has adopted the provisional rule in conformity with all procedures required by law.

(3) The documents required by section 21 of this chapter.

The publisher shall determine the format of the provisional rule and other documents to be submitted under this subsection. The substantive text of the adopted provisional rule must be substantially similar to the text of the proposed provisional rule submitted to the governor. A provisional rule may suspend but not repeal a rule approved by the governor under section 34 of this chapter.

(g) Subject to subsections (d) and (f) and section 39 of this chapter, the publisher shall:

(1) accept the provisional rule for filing;

(2) electronically record the date and time that the provisional rule is accepted; and

(3) publish the text of the:



- (A) adopted provisional rule;
- (B) regulatory analysis (excluding appendices containing data, studies, or analyses referenced in the regulatory analysis); and
- (C) governor's approval in the Indiana Register.

(h) A provisional rule adopted by an agency under this section takes effect on the latest of the following dates:

- (1) The effective date of the statute delegating authority to the agency to adopt the provisional rule.
- (2) The date and time that the provisional rule is accepted for filing under subsection (g).
- (3) The effective date stated by the adopting agency in the provisional rule.
- (4) The date of compliance with every requirement established by law as a prerequisite to the adoption or effectiveness of the provisional rule.
- (5) The statutory effective date for a provisional rule set forth in law.

(i) An agency may amend a provisional rule with another provisional rule by following the procedures in this section for the amended provisional rule. However, unless otherwise provided by IC 4-22-2.3, a provisional rule and all amendments of a provisional rule by another provisional rule expire not later than one hundred eighty (180) days after the initial provisional rule is accepted for filing under subsection (g). Unless otherwise provided by IC 4-22-2.3-2, the subject of the provisional rule, including all amendments to the provisional rule, may not be subsequently extended under this section or section 37.2 of this chapter. If the governor determines that the circumstance that is the basis for using the procedures under this section ceases to exist, the governor may terminate the provisional rule before the lapse of one hundred eighty (180) days. The termination is effective when filed with the publisher. The publisher shall publish the termination notice in the Indiana Register.

(j) Subject to subsection (k), the attorney general or the governor may file an objection to a provisional rule that is adopted under this section not later than forty-five (45) days after the date that a provisional rule or amendment to a provisional rule is accepted for filing under subsection (g). The objection must cite the document control number for the affected provisional rule and state the basis for the objection. When filed with the publisher, the objection has the effect of invalidating the provisional rule or amendment to a provisional rule. The publisher shall publish the objection in the



Indiana Register.

(k) The attorney general may file a written objection to a provisional rule under subsection (j) only if the attorney general determines that the provisional rule has been adopted:

(1) without statutory authority; or

(2) without complying with this section.

A notice of objection to a provisional rule by the attorney general must include findings that explain the basis for the determination. The notice of objection shall be provided to the agency in an electronic format.

SECTION ~~4-22-2-37.2~~ 7. IC 4-22-2-37.2, AS AMENDED BY P.L.93-2024, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 37.2. (a) The following do not apply to a rule adopted under this section:

(1) Sections 23 through 27 of this chapter or IC 13-14-9 (as applicable).

(2) Sections 28 through 36 of this chapter.

This section as added by the 2023 regular session of the general assembly applies to interim rules that are accepted for filing by the publisher of the Indiana Register after June 30, 2023, regardless of whether the adopting agency initiated official action to adopt the interim rule before July 1, 2023. An action taken before July 1, 2023, in conformity with this section (as effective after June 30, 2023) is validated to the same extent as if the action was taken after June 30, 2023.

(b) An agency may only adopt a rule on a subject for which the agency has rulemaking authority using the procedures in this section if the governor finds that the agency proposing to adopt the rule has demonstrated to the satisfaction of the governor that use of interim rulemaking procedures under this section:

(1) is necessary to implement:

(+) (A) a new state or federal law or program, rule of another state agency, federal regulation, or federal grant or loan agreement, or (if used by the agency to carry out the agency's responsibilities) a building, an equipment, a firefighting, a safety, or a professional code adopted by a nationally recognized organization;

(-) (B) a change in a state or federal law or program, rule of another state agency, federal regulation, federal grant or loan agreement, or (if used by the agency to carry out the agency's responsibilities) a building, an equipment, a firefighting, a safety, or a professional code adopted by a nationally recognized organization; or



(3) (C) a category of rule authorized under IC 4-22-2.3 to be adopted as an interim rule; and

(2) will result in a rule for which the combined implementation and compliance costs of the rule would not exceed five hundred thousand dollars (\$500,000) for businesses, units, and individuals if effective over a two (2) year period;

before the time that a final rule approved by the governor under section 34 of this chapter could reasonably take effect.

(c) To obtain a determination from the governor, an agency must submit to the governor the text of the proposed interim rule, the regulatory analysis required by section 22.7 of this chapter, a statement justifying the need for interim rulemaking procedures, and any additional information required by the governor in the form and in the manner required by the governor. The governor may not approve interim rulemaking for any part of a proposed interim rule that:

- (1) adds or amends language to increase or expand application of a fee, fine, or civil penalty or a schedule of fees, fines, or civil penalties; or
- (2) is expected to exceed the threshold set forth in section 22.7(c)(6) of this chapter;

prior to the [budget committee's administrative rules oversight committee's] review of the proposed interim rule. A notice of determination by the governor shall include findings that explain the basis for the determination. The notice of determination shall be provided to the agency in an electronic format. Approval of a request shall be treated as a determination that the rule meets the criteria in this subsection.

(d) To publish a notice of interim rulemaking in the Indiana Register, the agency must submit the following to the publisher:

- (1) The full text of the agency's proposed interim rule in the form required by section 20 of this chapter.
- (2) The regulatory analysis submitted to the governor under subsection (c).
- (3) A statement justifying the need for interim rulemaking.
- (4) The approval of the governor to use interim rulemaking procedures for the rule.
- (5) If the proposed interim rule adds or amends language to increase or expand application of a fee, fine, or civil penalty or a schedule of fees, fines, or civil penalties, the agenda of the [budget committee administrative rules oversight committee] meeting at which the rule was scheduled for



review.

(6) The documents required by section 21 of this chapter.

(7) If the proposed interim rule is expected to exceed the threshold set forth in section 22.7(c)(6) of this chapter, the agenda of the ~~[budget]~~ committee administrative rules oversight ~~committee~~ meeting at which the rule was scheduled for review.

The publisher shall review materials submitted under this section and determine the date that the publisher intends to include the material in the Indiana Register. After establishing the intended publication date, the publisher shall provide a written or an electronic mail authorization to proceed to the agency.

(e) The agency shall include the following in the notice of the public comment period:

(1) A general description of the subject matter of the proposed interim rule, including the document control number.

(2) The full text of the agency's proposed interim rule in the form required by section 20 of this chapter (excluding the text of a matter incorporated by reference under section 21 of this chapter).

(3) The regulatory analysis submitted to the governor under subsection (c) (excluding appendices containing data, studies, or analyses referenced in the regulatory analysis).

(4) A statement justifying any requirement or cost that is:

(A) imposed on a regulated entity under the interim rule; and

(B) not expressly required by the statute authorizing the agency to adopt rules or any other state or federal law.

The statement required under this subdivision must include a reference to any data, studies, or analyses relied upon by the agency in determining that the imposition of the requirement or cost is necessary.

(5) Information concerning where, when, and how a person may inspect and copy any data, studies, or analyses referenced under subdivision (4).

(6) Information concerning where, when, and how a person may inspect any documents incorporated by reference into the proposed interim rule under section 21 of this chapter.

(7) A date that is thirty (30) days after the notice is published in the Indiana Register by which written comments are due and a statement explaining that any person may submit written comments concerning the proposed interim rule during the



1 public comment period and instructions on when, where, and
 2 how the person may submit written comments.

3 However, inadequacy or insufficiency of the subject matter description
 4 under subdivision (1) or a statement of justification under subdivision
 5 (4) in a notice does not invalidate a rulemaking action. An agency may
 6 continue the public comment period by publishing a subsequent notice
 7 in the Indiana Register extending the public comment period.

8 (f) Before adopting the interim rule, the agency shall prepare a
 9 written response to comments received by the agency, including the
 10 reasons for rejecting any recommendations made in the comments.

11 (g) After an agency has completed the public comment period and
 12 complied with subsection (f), the agency may:

13 (1) adopt a rule that is identical to a proposed interim rule
 14 published in the Indiana Register under this section; or

15 (2) adopt a revised version of a proposed interim rule published
 16 under this section and include provisions that did not appear in
 17 the initially published proposed version.

18 An agency may not adopt an interim rule that substantially differs from
 19 the version of the proposed interim rule published in the Indiana
 20 Register under this section, unless it is a logical outgrowth of any
 21 proposed interim rule as supported by any written comments submitted
 22 during the public comment period.

23 (h) After the agency adopts the interim rule, the agency shall
 24 submit the following to the publisher for filing:

25 (1) The text of the adopted interim rule. The agency shall submit
 26 the full text of the interim rule in the form required by section 20
 27 of this chapter.

28 (2) A summary of the comments received by the agency during
 29 the public comment period and the agency's response to the
 30 comments.

31 (3) A signature page that indicates that the agency has adopted
 32 the interim rule in conformity with all procedures required by
 33 law.

34 (4) The documents required by section 21 of this chapter.

35 The publisher shall determine the format of the interim rule and other
 36 documents to be submitted under this subsection. An interim rule may
 37 suspend but not repeal a rule approved by the governor under section
 38 34 of this chapter.

39 (i) Subject to subsection (h) and section 39 of this chapter, the
 40 publisher shall:

41 (1) accept the interim rule for filing;

42 (2) electronically record the date and time that the interim rule



is accepted; and

(3) publish the text of the:

(A) adopted interim rule;

(B) regulatory analysis (excluding appendices containing data, studies, or analyses referenced in the regulatory analysis); and

(C) governor's approval in the Indiana Register.

(j) An interim rule adopted by an agency under this section takes effect on the latest of the following dates:

(1) The effective date of the statute delegating authority to the agency to adopt the interim rule.

(2) The date and time that the interim rule is accepted for filing under subsection (i).

(3) The effective date stated by the adopting agency in the interim rule.

(4) The date of compliance with every requirement established by law as a prerequisite to the adoption or effectiveness of the interim rule.

(5) The statutory effective date for an interim rule set forth in law.

(k) An agency may amend an interim rule with another interim rule by following the procedures in this section for adoption of an interim rule. Except as provided in IC 4-22-2.3, an interim rule and all subsequent rules on the same subject adopted under section 37.1 of this chapter or this section expire not later than four hundred twenty-five (425) days after the initial interim rule is accepted for filing under subsection (i).

(l) Subject to subsection (m), the attorney general or the governor may file an objection to an interim rule that is adopted under this section not later than forty-five (45) days after the date that an interim rule or amendment to an interim rule is accepted for filing under subsection (i). The objection must cite the document control number for the affected interim rule and state the basis for the objection. When filed with the publisher, the objection has the effect of invalidating the interim rule or amendment to an interim rule. The publisher shall publish the objection in the Indiana Register.

(m) The attorney general may file a written objection to an interim rule under subsection (l) only if the attorney general determines that the interim rule has been adopted:

(1) without statutory authority; or

(2) without complying with this section.

A notice of objection to an interim rule by the attorney general must



1 include findings that explain the basis for the determination. The notice
2 of objection shall be provided to the agency in an electronic format.

3 SECTION ~~6~~[8]. IC 4-22-2-40, AS AMENDED BY
4 P.L.249-2023, SECTION 37, IS AMENDED TO READ AS
5 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 40. (a) At any time
6 before a rule is accepted for filing by the publisher under section 35,
7 37.1, 37.2, or 38 of this chapter, the agency that adopted the rule may
8 recall it. A rule may be recalled regardless of whether:

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

11 (2) the rule has been disapproved by the governor under section
12 34 of this chapter.

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

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

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

25 (e) If a rule is:

26 (1) subject to sections 31 and 33 of this chapter;

27 (2) recalled under subsection (a); and

28 (3) readopted under subsection (c);

29 the agency shall resubmit the readopted version of the recalled rule to
30 the attorney general and the governor for approval. **The agency shall**
31 **include sufficient information for the governor to evaluate whether**
32 **the readopted version of the recalled rule complies with the**
33 **requirements of section 22.8(a) of this chapter.** The attorney general
34 and the governor have the full statutory period to approve or
35 disapprove the readopted rule. The agency shall resubmit the readopted
36 version of a recalled rule to the office of management and budget with
37 sufficient information for the office of management and budget to
38 evaluate whether the initial regulatory analysis submitted to the office
39 of management and budget under section 22.8 of this chapter needs to
40 be revised. If the impact of the readopted rule is substantially different
41 from the recalled rule, the agency shall submit the revised regulatory
42 analysis to the publisher for publication in the Indiana Register with the



document control number assigned by the publisher to the rule. The agency also shall comply with any other applicable approval requirement provided by statute.

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

SECTION ~~9~~⁹. [EFFECTIVE JULY 1, 2026] (a) IC 4-22-2-19.6, IC 4-22-2-22.7, IC 4-22-2-22.8, IC 4-22-2-23, IC 4-22-2-37.1, IC 4-22-2-37.2, and IC 4-22-2-40, all as amended by this act, apply to a rulemaking action that commences after June 30, 2026.

(b) This SECTION expires July 1, 2028. SECTION 10. emergency is declared for this act.

]

M
a
r
k
u
p

2026

IN 172—LS 6401/DI 125



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY