



HOUSE BILL 1913

By Boyd

AN ACT to amend Tennessee Code Annotated, Title 4, Chapter 5, relative to administrative rules.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. This act is known and may be cited as the "Regulatory Freedom Act of 2026."

SECTION 2. Tennessee Code Annotated, Section 4-5-203(a)(2), is amended by deleting the subdivision and substituting:

(A) Prominently publish the new or amended rule on its homepage during the forty-five-day period prescribed in subsection (b); and

(B) Make a good faith effort to notify each trade association or organization operating in this state that represents the regulated community and that may be impacted by the new or amended rule at least forty-five (45) days prior to the public hearing for which there is a period of public comment regarding the new or amended rule. The notice must be sent by electronic mail and must include a copy of the new or amended rule. The notice must request that the association or organization provide comments during any such period of public comment, or provide such comments directly to the agency, for the purpose of generating a fiscal impact statement, as defined in SECTION 3(a).

SECTION 3. Tennessee Code Annotated, Title 4, Chapter 5, Part 2, is amended by adding the following as a new section:

(a) As used in this section, "fiscal impact statement" means the estimate of the actual cost of compliance of a new or amended rule based on its projected and collective fiscal impact on the regulated industry, trade, business, or community, excluding

speculative, anti-competitive, or hypothetical costs, and the assumptions and reasoning upon which the actual costs of compliance are based.

(b) Notwithstanding another law to the contrary, an agency:

(1) Shall generate a fiscal impact statement for a new or amended rule that is anticipated to have a negative fiscal effect on the regulated community, including affected industries, businesses, and trades; and

(2) Shall not generate or create a fiscal impact statement for a new or amended rule until after the public hearing with a period for public comment on such rule to provide the public and affected industries, businesses, and trades the opportunity to provide input with respect to the fiscal impact of such rule.

(c) In addition to other requirements under law, an agency:

(1) Shall include with each fiscal impact statement proof satisfactory that the agency obtained feedback from representatives of industries, trades, and businesses, including trade associations and organizations, or individual businesses, from the regulated community, likely to be fiscally impacted by the new or amended rule. This subdivision (c)(1) does not prohibit an individual or business from submitting feedback to the agency anonymously regarding the fiscal impact of the rule. "Proof satisfactory" under this subdivision (c)(1) includes the name of each individual, association, and organization that provides feedback to the agency for incorporation into a fiscal impact statement and the industry, trade, or business that such individual represents unless feedback was submitted anonymously by an individual or business, in which case the agency shall notate the anonymous submission;

(2) May include, with each fiscal impact statement, feedback from affected regulatory boards;

(3) Shall include with each fiscal impact statement any information related to the actual or potential negative fiscal impact of the new or amended rule to an impacted industry, business, or trade shared during a period of public comment, if such information was provided;

(4) Shall not separate one (1) or more proposed new or amended rules for the purpose of segregating the fiscal impact statements with the intent to bypass the monetary caps specified in § 4-5-226(c)(2) and (3); and

(5) If a fiscal impact statement exceeds the monetary cap specified in § 4-5-226(c)(3), the agency shall, as soon as practicable, provide written and electronic notice, including the fiscal impact statement, to the governor, the speakers of the senate and house of representatives, and the chairs of the joint government operations committee that the monetary cap for a rule has been exceeded. If notice is provided under this subdivision (c)(5) for an emergency rule, the notice must state that the emergency rule will expire in accordance with the time frames specified in § 4-5-208(f)(1)(B).

(d) Each agency shall compile an annual report aggregating the fiscal impact statements generated for each new or amended rule that went into effect during the immediately preceding year to illustrate the total and cumulative fiscal impact of rules promulgated by each such agency.

(e) Each annual report must be:

(1) Filed and published in accordance with this subsection (e) no later than January 31, 2027, and each January 31 thereafter; and

(2) Filed with:

(A) The speakers of the senate and house of representatives;

(B) The secretary of state; and

(D) The chairs of the joint government operations committee of the house of representatives and the senate.

(f) The secretary of state shall prominently publish on its homepage a link to each annual report filed with the secretary of state under subsection (e).

SECTION 4. Tennessee Code Annotated, Section 4-5-226, is amended by designating subsection (c) as subdivision (c)(1) and adding the following new subdivisions (c)(2)-(4):

(2) Prior to or during the review of a rule by the joint government operations committee meeting jointly under subdivision (c)(1), if the fiscal impact statement generated for such rule indicates an estimated negative fiscal impact exceeding seven hundred fifty thousand dollars (\$750,000) over a five-year period, or exceeding seven hundred fifty thousand dollars (\$750,000) over a one-year period for an emergency rule, either chair of the joint government operations committee may submit the rule and its fiscal impact statement to the legislative director of the fiscal review committee for an independent determination of the fiscal impact. The director of fiscal review shall review and audit the fiscal impact of the rule and shall attach written findings of such review and audit to the rule as an addendum for purposes of review by the joint government operations committee. The director shall provide the fiscal impact addendum to the chairs of the joint government operations committee and to the agency proposing the rule upon completion of the addendum. The director shall complete such a review and audit within the existing resources of the fiscal review committee.

(3) If the agency's fiscal impact statement of a rule, or the review and audit of a rule conducted by the director of fiscal review under subdivision (c)(2), indicate that the negative fiscal impact of the rule is estimated to exceed one million dollars (\$1,000,000) over a five-year period, or over a one-year period for an emergency rule, as applicable, and if the joint government operations committee approves such rule, then the rule only

becomes effective upon approval by a majority vote of both the house of representatives and the senate voting on the rule as a stand-alone legislative measure.

(4) As used in this subsection (c), "fiscal impact statement" has the same meaning as defined in Section 3(a).

SECTION 5. Tennessee Code Annotated, Title 4, Chapter 5, Part 2, is amended by adding the following as a new section:

(a) Notwithstanding this chapter to the contrary, except as provided in subsection (b), prior to the date on which a permanent rule expires in accordance with this part, the agency that promulgated the rule may repeal the rule upon providing a notice to repeal the rule to the secretary of state and the chairs of the joint government operations committee. Upon receipt of the notice to repeal, the joint government operations committee shall incorporate the rule to be repealed into the rule omnibus bill that is transmitted to the floor of the senate and house of representatives for consideration for the next regular or special legislative session, as applicable.

(b) Subsection (a) does not apply to an agency rule that, based on the rule's estimated fiscal impact, is anticipated to result in the loss of revenue to this state or a local government of more than five million dollars (\$5,000,000) over a one-year period. If the repeal of such rule is anticipated to exceed five million dollars (\$5,000,000), then the rule may only expire or be repealed as otherwise provided in this part.

SECTION 6. Tennessee Code Annotated, Section 4-5-208, is amended by adding the following new subsection (f):

(1)

(A) An agency shall file a fiscal impact statement in accordance with SECTION 3(a) and (b), with the secretary of state not later than forty-five (45) days after an emergency rule goes into effect. The agency shall comply with

SECTION 3(c) for purposes of generating the fiscal impact statement. If the agency fails to file the fiscal impact statement pursuant to this subdivision (f)(1), the emergency rule ceases to be effective the day after such forty-five-day filing period expires.

(B) Notwithstanding this section, if the fiscal impact statement of an emergency rule has an anticipated negative fiscal impact in excess of one million dollars (\$1,000,000) over a one-year period, the emergency rule expires upon the earlier of the following:

- (i) One hundred eighty (180) days after becoming effective;
- (ii) Upon the adjournment of the next special session convened by the general assembly for any reason; or
- (iii) The fourteenth calendar day of the next regular legislative session of the general assembly.

(2) If the general assembly is convened in a special or regular legislative session, the general assembly may approve an emergency rule that would otherwise expire under subdivision (f)(1)(B) by adopting the rule by a majority vote of both the house of representatives and the senate.

SECTION 7. This act takes effect upon becoming a law, the public welfare requiring it.

Amendment No. 1 to HB1913

Lafferty
Signature of Sponsor

AMEND Senate Bill No. 2199

House Bill No. 1913*

by deleting all language after the enacting clause and substituting:

SECTION 1. This act is known and may be cited as the "Regulatory Freedom Act of 2026."

SECTION 2. Tennessee Code Annotated, Section 4-5-203(a)(2), is amended by deleting the subdivision and substituting:

(A) For a rule that affects the regulated community:

(i) Prominently publish the new or amended rule on its home page during the forty-five-day period prescribed in subsection (b); and

(ii) Make a good faith effort to notify each trade association or organization known to the agency to be operating in this state that represents the regulated community and that may be impacted by the new or amended rule at least forty-five (45) days prior to the public hearing for which there is a period of public comment regarding the new or amended rule. The notice must be sent by electronic mail and must include a copy of the new or amended rule. The notice must invite the association or organization to provide comments during any such period of public comment, or provide such comments directly to the agency, for the purpose of generating a fiscal impact statement, as defined in SECTION 3(a);

(B) This subdivision (a)(2):

(i) Applies to agencies whose rules must be approved by the general assembly; and

(ii) Does not apply to rules that are:

(a) Adopted as required pursuant to a federal law or regulation, including rules necessary to maintain federal requirements or where failure would risk federal financial participation; or

(b) Related to the increase or decrease of professional and occupational licensure fees by a professional or occupational regulatory body or board, to the increase or decrease of facility licensure fees, or fees that are required by statute.

SECTION 3. Tennessee Code Annotated, Title 4, Chapter 5, Part 2, is amended by adding the following as a new section:

(a) As used in this section, "fiscal impact statement" means the estimate of the actual cost of compliance of a new or amended rule based on its projected and collective fiscal impact on the regulated community, excluding speculative, anticompetitive, or hypothetical costs, and the assumptions and reasoning upon which the actual costs of compliance are based.

(b) Notwithstanding another law to the contrary, an agency, for a rule that affects the regulated community:

(1) Shall generate a fiscal impact statement for a new or amended rule that is anticipated to have a negative fiscal impact on the regulated community, including affected industries, businesses, and trades; and

(2) Shall not generate or create a fiscal impact statement for a new or amended rule until after the public hearing with a period for public comment on such rule to provide the public and affected industries, businesses, and trades the opportunity to provide input with respect to the fiscal impact of such rule.

(c) In addition to other requirements under law, an agency, for a rule that affects the regulated community:

(1) Shall include with each fiscal impact statement proof satisfactory that the agency sought feedback from representatives of industries, trades, and

businesses, including trade associations and organizations, or individual businesses, from the regulated community, likely to experience a negative fiscal impact by the new or amended rule. This subdivision (c)(1) does not prohibit an individual or business from submitting feedback to the agency anonymously regarding the fiscal impact of the rule. "Proof satisfactory" under this subdivision (c)(1) includes the name of each individual, association, and organization that was invited to provide feedback to the agency for incorporation into a fiscal impact statement and the industry, trade, or business that such individual represents unless feedback was submitted anonymously by an individual or business, in which case the agency shall notate the anonymous submission;

(2) May include, with each fiscal impact statement, feedback from affected regulatory boards;

(3) Shall include with each fiscal impact statement any information related to the actual or potential negative fiscal impact of the new or amended rule to an impacted industry, business, or trade shared during a period of public comment, if such information was provided;

(4) Shall not separate one (1) or more proposed new or amended rules for the purpose of segregating the fiscal impact statements with the intent to bypass the monetary caps specified in § 4-5-226(c)(2); and

(5) If a fiscal impact statement exceeds the monetary cap specified in § 4-5-226(c)(2), shall, as soon as practicable, provide written and electronic notice, including the fiscal impact statement, to the governor, the speakers of the senate and house of representatives, and the chairs of the joint government operations committee that the monetary cap for a rule has been exceeded. If notice is provided under this subdivision (c)(5) for an emergency rule, the notice must state that the emergency rule will expire in accordance with the time frames specified in § 4-5-208(f)(1)(B).

(d) Each agency shall compile an annual report aggregating the fiscal impact statements generated for each new or amended rule that affected the regulated community and that went into effect during the immediately preceding year to illustrate the total and cumulative fiscal impact of rules promulgated by each such agency.

(e) Each annual report must be:

(1) Filed and published in accordance with this subsection (e) no later than January 31, 2028, and each January 31 thereafter; and

(2) Filed with:

(A) The speakers of the senate and house of representatives;

(B) The secretary of state; and

(C) The chairs of the joint government operations committee of the house of representatives and the senate.

(f) The secretary of state shall prominently publish on its home page a link to each annual report filed with the secretary of state under subsection (e).

(g) This section:

(1) Applies to agencies whose rules must be approved by the general assembly; and

(2) Does not apply to rules that are:

(A) Adopted as required pursuant to a federal law or regulation, including rules necessary to maintain federal requirements or where failure would risk federal financial participation; or

(B) Related to the increase or decrease of professional and occupational licensure fees by a professional or occupational regulatory body or board, to the increase or decrease of facility licensure fees, or fees that are required by statute.

SECTION 4. Tennessee Code Annotated, Section 4-5-226, is amended by designating subsection (c) as subdivision (c)(1) and adding the following new subdivisions (c)(2)-(4):

(2) With respect to a rule that affects the regulated community, if the agency's fiscal impact statement of a rule indicates that the negative fiscal impact of the rule is estimated to exceed one million dollars (\$1,000,000) over a five-year period, or over a one-year period for an emergency rule, as applicable, and if the joint government operations committee approves such rule, then the rule only becomes effective upon approval by a majority vote of both the house of representatives and the senate voting on the rule as a stand-alone legislative measure.

(3) Subdivision (c)(2):

(A) Applies to agencies whose rules must be approved by the general assembly; and

(B) Does not apply to rules that are:

(i) Adopted as required pursuant to a federal law or regulation, including rules necessary to maintain federal requirements or where failure would risk federal financial participation; or

(ii) Related to the increase or decrease of professional and occupational licensure fees by a professional or occupational regulatory body or board, to the increase or decrease of facility licensure fees, or fees that are required by statute.

(4) As used in this subsection (c), "fiscal impact statement" has the same meaning as defined in Section 3(a).

SECTION 5. Tennessee Code Annotated, Section 4-5-208, is amended by adding the following new subsection (f):

(f) With respect to a rule that affects the regulated community:

(1)

(A) An agency shall file a fiscal impact statement in accordance with SECTION 3(a) and (b) with the secretary of state not later than forty-five (45) days after an emergency rule goes into effect. The agency shall

comply with SECTION 3(c) for purposes of generating the fiscal impact statement. If the agency fails to file the fiscal impact statement pursuant to this subdivision (f)(1), the emergency rule ceases to be effective the day after such forty-five-day filing period expires; and

(B) Notwithstanding this section, if the fiscal impact statement of an emergency rule has an anticipated negative fiscal impact in excess of one million dollars (\$1,000,000) over a one-year period, the emergency rule expires upon the earlier of the following:

(i) One hundred eighty (180) days after becoming effective;

(ii) The adjournment of the next special session convened by the general assembly for any reason; or

(iii) The fourteenth legislative day of the next regular legislative session of the general assembly.

(2) If the general assembly is convened in a special or regular legislative session, the general assembly may approve an emergency rule that would otherwise expire under subdivision (f)(1)(B) by adopting the rule by a majority vote of both the house of representatives and the senate.

(3) This subsection (f):

(A) Applies to agencies whose rules must be approved by the general assembly;

(B) Does not apply to rules that are:

(i) Adopted as required pursuant to a federal law or regulation, including rules necessary to maintain federal requirements or where failure would risk federal financial participation; or

(ii) Related to the increase or decrease of professional and occupational licensure fees by a professional or occupational regulatory body or board, to the increase or decrease of facility licensure fees, or fees that are required by statute; and

(C) Does not apply to an emergency rule that is adopted by an agency as a temporary rule in response to a new or amended state law authorizing or requiring the promulgation of rules while the agency is developing a permanent rule in response to such state law.

SECTION 6. Tennessee Code Annotated, Section 4-5-102, is amended by adding the following new subdivision:

() "Regulated community":

(A) Means the private industries, trades, organizations, businesses, individuals engaged in commercial activity, or individuals subject to professional or occupational licensure that are regulated by the agency rule; and

(B) Does not include individuals who are only indirectly impacted as applicants or recipients of a government service.

SECTION 7. This act takes effect January 1, 2027, and applies to rules for which a notice has not been filed with the secretary of state prior to January 1, 2027, the public welfare requiring it.