



Purpose

The REINS Act was enacted in 2025 to ensure that administrative rules better reflect legislative intent. Among other changes, the new law requires agencies promulgating new or amended rules to consider the economic impact of the rule change. The new law requires agencies to analyze any costs to businesses and consumers related to the rule change, as well as the costs to government. The law requires LOFT to review agency compliance with 75 O.S. §303, including the provision of an economic impact analysis for all major rules. Additionally, the chairs of the administrative rule committees in the House and Senate may direct LOFT to review any other rules for compliance with §303. The guidance provided below is to assist agencies in preparing the required economic impact analysis:

Economic Impact Considerations

In ensuring compliance with §303, LOFT will pay particular attention to the economic impact portion of the Rule Impact Statement. The list below is not comprehensive but provides the types of factors that should be considered by the agency to ensure adequate consideration of the costs of regulations to businesses and consumers. LOFT will also assess whether cost estimates are reasonable, whether the methodology used by the agency is sound, and whether both one-time and ongoing costs were considered. This analysis should also include costs to the agency and other governmental entities.

- Whether the rule change will result in businesses or individuals buying, leasing, or otherwise acquiring new facilities or additional building space, either as a direct result of the rule, due to a need for increased staff, or any other indirect result of complying with the changed rule(s).
- Whether the rule change will result in businesses or individuals buying, leasing, or otherwise acquiring or improving land because of the changed rules.
- Whether the rule change will result in businesses or individuals acquiring additional capital equipment (furniture, fixtures, vehicles, testing equipment, or any other durable good). If so, be sure the impact statement includes the cost of purchase as well as installation and ongoing maintenance.
- Whether the rule change will result in businesses making substantial changes to the goods or services they provide. If so, consider whether the business will need to advertise these changes to ensure customers are aware of the changes.
- Whether the rule change will result in businesses updating training materials. Consider the cost of rewriting and printing new manuals, producing new training videos, or revising training websites.
- Whether the rule change increases or adds new license fees, certifications, or registrations. If so, be sure to account for the fees charged by the agency, the fees paid for the additional training, and the lost working hours of the licensees and their employees.
- Whether the rule change make it more difficult to recruit, train, or retain employees.

- Whether the rule change require businesses or individuals to increase travel. If so, be sure to account for travel expenses such as mileage, flights, hotels, and meals, as well as lost work time.
- Whether the rule change render any current raw material or old inventories obsolete or prohibited. If so, be sure to account for the lost sales of those supplies or inventories, as well as the cost of disposing of them.
- Whether the rule change create a new or increased need for consultants or professionals such as accountants, lawyers, or engineers. Be sure to consider the one-time costs of ensuring new processes conform to the rule, as well as ongoing costs or compliance. For instance, a consultant might be needed once to tell a business what processes need to change, while accountants or lawyers might be needed on an ongoing basis to ensure continuing compliance.
- Whether the rule change will result in discontinued products. If so, be sure to consider the economic impact of:
 - A. Lost profits from sales of products which are no longer allowed or no longer financially feasible.
 - B. Lost consumer surplus from sales of products which are no longer allowed or no longer financially feasible.
- Whether the rule change will result in increased prices. If so, be sure to consider the economic impact of:
 - A. Lost sales due to elasticity response from consumers, i.e. will customers buy the regulated services or products at a lower rate because the business had to charge more to cover the cost of complying with the regulation.
 - B. Lost consumer surplus resulting from higher prices, i.e. is the value to the customer lower when they purchased the product or service at a higher price, even though they are still purchasing it.
- Whether the rule change will mean producers in other states are better positioned to overtake Oklahoma businesses.

For each of the above categories, the agency should approximate the amount of time that will be spent on compliance by the industries impacted by the rule change. Time should be estimated by level of employee, such as the owner, manager, and other employees. The time for each category of employee is to be multiplied by the average hourly rate for the position.

This approach should also be applied to estimating costs to governmental entities, including the regulating agency, other agencies, and political subdivisions.

The agency MUST include the methodology of any estimated costs.

LOFT will also review agency rule submissions for compliance with the remaining provisions of 75 O.S. §303. These include:

Version 1 (Amended by Laws 2025, SB 1024, c. 267, § 1, emerg. eff. July 1, 2025)

A. Prior to the adoption of any rule or amendment or revocation of a rule, the agency shall:

1. Cause notice of any intended action to be published in “The Oklahoma Register” pursuant to subsection B of this section;
2. For at least thirty (30) days after publication of the notice of the intended rulemaking action, afford a comment period for all interested persons to submit data, views, or arguments, orally or in writing. The agency shall consider fully all written and oral submissions respecting the proposed rule;
3. Hold a hearing, if required, as provided by subsection C of this section;
4. Consider the effect its intended action may have on the various types of business and governmental entities. Except where such modification or variance is prohibited by statute or constitutional constraints, if an agency finds that its actions may adversely affect any such entity, the agency may modify its actions to exclude that type of entity, or may “tier” its actions to allow rules, penalties, fines, or reporting procedures and forms to vary according to the size of a business or governmental entity or its ability to comply or both. For business entities, the agency shall include a description of the probable quantitative and qualitative impact of the proposed rule, economic or otherwise, and use quantifiable data to the extent possible, taking into account both short-term and long-term consequences;
5. Consider the effect its intended action may have on the various types of consumer groups. If an agency finds that its actions may adversely affect such groups, the agency may modify its actions to exclude that type of activity; and
6. When an agency provides notice pursuant to paragraph 1 of this subsection, the agency shall provide one electronic copy of the complete text of the proposed rule, amendment, or revocation and a copy of the notice to the Governor and to the appropriate cabinet secretary. No agency shall adopt any proposed rule, amendment, or revocation unless, within thirty (30) days from providing notice to the Governor and the appropriate cabinet secretary, the agency receives express written approval from the Governor or the cabinet secretary. If the Governor or the cabinet secretary disapproves a rule, the affected agency shall be notified in writing of the reasons for disapproval. If, after thirty (30) days of providing the notice to the Governor and the cabinet secretary, the agency has not received an express written approval, the agency shall not proceed with the rulemaking process.

B. The notice required by paragraph 1 of subsection A of this section shall include, but not be limited to:

1. In simple language, a brief summary of the rule;
2. The proposed action being taken;

3. The circumstances which created the need for the rule;
4. The specific legal authority, including statutory citations, authorizing the proposed rule;
5. The intended effect of the rule;
6. If the agency determines that the rule affects business entities, a request that such entities provide the agency, within the comment period, in dollar amounts if possible, the increase in the level of direct costs such as fees, and indirect costs such as reporting, recordkeeping, equipment, construction, labor, professional services, revenue loss, or other costs expected to be incurred by a particular entity due to compliance with the proposed rule;
7. The time when, the place where, and the manner in which interested persons may present their views thereon pursuant to paragraph 3 of subsection A of this section;
8. Whether or not the agency intends to issue a rule impact statement according to subsection D of this section and where copies of such impact statement may be obtained for review by the public;
9. The time when, the place where, and the manner in which persons may demand a hearing on the proposed rule if the notice does not already provide for a hearing. If the notice provides for a hearing, the time and place of the hearing shall be specified in the notice; and
10. Where copies of the proposed rules may be obtained for review by the public. An agency may charge persons for the actual cost of mailing a copy of the proposed rules to such persons.

The number of copies of such notice as specified by the Secretary of State shall be submitted to the Secretary of State who shall publish the notice in “The Oklahoma Register” pursuant to the provisions of [Section 255](#) of this title.

Prior to or within three (3) days after publication of the notice in “The Oklahoma Register”, the agency shall cause a copy of the notice of the proposed rule adoption and the rule impact statement, if available, to be mailed to all persons who have made a timely request of the agency for advance notice of its rulemaking proceedings. Provided, in lieu of mailing copies, an agency may electronically notify interested persons that a copy of the proposed rule and the rule impact statement, if available, may be viewed on the agency’s website. If an agency posts a copy of the proposed rule and rule impact statement on its website, the agency shall not charge persons for the cost of downloading or printing the proposed rule or impact statement. Each agency shall maintain a listing of persons or entities requesting such notice.

- C. 1. If the published notice does not already provide for a hearing, an agency shall schedule a hearing on a proposed rule if, within thirty (30) days after the published notice of the proposed rule adoption, a written request for a hearing is submitted by:
 - a. at least ten persons,
 - b. a political subdivision,
 - c. an agency, or

d. an association having not less than twenty-five members.

At that hearing persons may present oral argument, data, and views on the proposed rule.

2. A hearing on a proposed rule may not be held earlier than thirty (30) days after notice of the hearing is published pursuant to subsection B of this section.

3. The provisions of this subsection shall not be construed to prevent an agency from holding a hearing or hearings on the proposed rule although not required by the provisions of this subsection; provided, that notice of such hearing shall be published in "The Oklahoma Register" at least thirty (30) days prior to such hearing.

D. 1. Except as otherwise provided in this subsection, an agency shall issue a rule impact statement of a proposed rule prior to or within fifteen (15) days after the date of publication of the notice of proposed rule adoption. The rule impact statement may be modified after any hearing or comment period afforded pursuant to the provisions of this section.

2. Except as otherwise provided in this subsection, the rule impact statement shall include, but not be limited to:

a. a brief description of the purpose of the proposed rule,

b. a description of the classes of persons who most likely will be affected by the proposed rule, including classes that will bear the costs of the proposed rule, and any information on cost impacts received by the agency from any private or public entities,

c. a description of the classes of persons who will benefit from the proposed rule,

d. a description of the probable economic impact of the proposed rule upon affected classes of persons or political subdivisions, including a listing of all fee changes and, whenever possible, a separate justification for each fee change,

e. the probable costs and benefits to the agency and to any other agency of the implementation and enforcement of the proposed rule, the source of revenue to be used for implementation and enforcement of the proposed rule, and any anticipated effect on state revenues, including a projected net loss or gain in such revenues if it can be projected by the agency,

f. a determination of whether implementation of the proposed rule will have an economic impact on any political subdivisions or require their cooperation in implementing or enforcing the rule,

g. a determination of whether implementation of the proposed rule may have an adverse economic effect on small business as provided by the Oklahoma Small Business Regulatory Flexibility Act,

h. an explanation of the measures the agency has taken to minimize compliance costs and a determination of whether there are less costly or nonregulatory methods or less intrusive methods for achieving the purpose of the proposed rule,

i. a determination of the effect of the proposed rule on the public health, safety, and environment and, if the proposed rule is designed to reduce significant risks to the public health, safety, and environment, an explanation of the nature of the risk and to what extent the proposed rule will reduce the risk,

j. a determination of any detrimental effect on the public health, safety, and environment if the proposed rule is not implemented,

k. the date the rule impact statement was prepared and if modified, the date modified;

l. an analysis of alternatives to adopting the rule;

m. estimates of the amount of time that would be spent by state employees to develop the rule and of the amount of other resources that would be utilized to develop the rule; and

n. a summary and preliminary comparison of any existing or proposed federal regulations that are intended to address the activities to be regulated by the proposed rule.

3. To the extent an agency for good cause finds the preparation of a rule impact statement or the specified contents thereof are unnecessary or contrary to the public interest in the process of adopting a particular rule, the agency may request the Governor to waive such requirement. Such request shall be in writing and shall state the agency's findings and the justification for such findings. Upon request by an agency, the Governor may also waive the rule impact statement requirements if the agency is required to implement a statute or federal requirement that does not require an agency to interpret or describe the requirements, such as federally mandated provisions which afford the agency no discretion to consider less restrictive alternatives. If the Governor fails to waive such requirement, in writing, prior to publication of the notice of the intended rulemaking action, the rule impact statement shall be completed. The determination to waive the rule impact statement shall not be subject to judicial review.

4. The rule shall not be invalidated on the grounds that the contents of the rule impact statement are insufficient or inaccurate.

E. Upon completing the requirements of this section, an agency may adopt a proposed rule. No rule is valid unless adopted in substantial compliance with the provisions of this section.

Version 2 (Amended by Laws 2025, HB 2728, c. 258, § 7, emerg. eff. July 1, 2025)

A. Prior to the adoption of any rule or amendment or revocation of a rule, the agency shall:

1. Cause notice of any intended action to be published in "The Oklahoma Register" pursuant to subsection B of this section;

2. For at least thirty (30) days after publication of the notice of the intended rulemaking action, afford a comment period for all interested persons to submit data, views, or arguments, orally or in writing. The agency shall consider fully all written and oral submissions respecting the proposed rule;

3. Hold a hearing, if required, as provided by subsection C of this section;

4. Consider the effect its intended action may have on the various types of business and governmental entities. Except where such modification or variance is prohibited by statute or constitutional constraints, if an agency finds that its actions may adversely affect any such entity, the agency may modify its actions to exclude that type of entity, or may “tier” its actions to allow rules, penalties, fines, or reporting procedures and forms to vary according to the size of a business or governmental entity or its ability to comply or both. For business entities, the agency shall include a description of the probable quantitative and qualitative impact of the proposed rule, economic or otherwise, and use quantifiable data to the extent possible, taking into account both short-term and long-term consequences;

5. Consider the effect its intended action may have on the various types of consumer groups. If an agency finds that its actions may adversely affect such groups, the agency may modify its actions to exclude that type of activity; and

6. When an agency provides notice pursuant to paragraph 1 of this subsection, the agency shall provide one electronic copy of the complete text of the proposed rule, amendment or revocation and a copy of the notice to the Governor and to the appropriate cabinet secretary. No agency may adopt any proposed rule, amendment or revocation if, within thirty (30) days from providing notice to the Governor and the appropriate cabinet secretary, the agency receives express written disapproval from the Governor or the cabinet secretary. If the Governor or the cabinet secretary disapproves a rule, the affected agency shall be notified in writing of the reasons for disapproval. If, after thirty (30) days of providing the notice to the Governor and the cabinet secretary, the agency has not received an express written disapproval, the agency may proceed with the rulemaking process.

B. The notice required by paragraph 1 of subsection A of this section shall include, but not be limited to:

1. In simple language, a brief summary of the rule;

2. The proposed action being taken;

3. The circumstances which created the need for the rule;

4. The specific legal authority, including statutory citations, authorizing the proposed rule;

5. The intended effect of the rule;

6. If the agency determines that the rule affects business entities, a request that such entities provide the agency, within the comment period, in dollar amounts if possible, the increase in the level of direct costs such as fees, and indirect costs such as reporting, recordkeeping, equipment, construction, labor, professional services, revenue loss, or other costs expected to be incurred by a particular entity due to compliance with the proposed rule;

7. The time when, the place where, and the manner in which interested persons may present their views thereon pursuant to paragraph 3 of subsection A of this section;
8. Whether or not the agency intends to issue a rule impact statement according to subsection D of this section and where copies of such impact statement may be obtained for review by the public;
9. The time when, the place where, and the manner in which persons may demand a hearing on the proposed rule if the notice does not already provide for a hearing. If the notice provides for a hearing, the time and place of the hearing shall be specified in the notice; and
10. Where copies of the proposed rules may be obtained for review by the public. An agency may charge persons for the actual cost of mailing a copy of the proposed rules to such persons.

The number of copies of such notice as specified by the Secretary of State shall be submitted to the Secretary of State who shall publish the notice in “The Oklahoma Register” pursuant to the provisions of [Section 255](#) of this title.

Prior to or within three (3) days after publication of the notice in “The Oklahoma Register”, the agency shall cause a copy of the notice of the proposed rule adoption and the rule impact statement, if available, to be mailed to all persons who have made a timely request of the agency for advance notice of its rulemaking proceedings. Provided, in lieu of mailing copies, an agency may electronically notify interested persons that a copy of the proposed rule and the rule impact statement, if available, may be viewed on the agency’s website. If an agency posts a copy of the proposed rule and rule impact statement on its website, the agency shall not charge persons for the cost of downloading or printing the proposed rule or impact statement. Each agency shall maintain a listing of persons or entities requesting such notice.

- C. 1. If the published notice does not already provide for a hearing, an agency shall schedule a hearing on a proposed rule if, within thirty (30) days after the published notice of the proposed rule adoption, a written request for a hearing is submitted by:
 - a. at least ten persons,
 - b. a political subdivision,
 - c. an agency, or
 - d. an association having not less than twenty-five members.

At that hearing persons may present oral argument, data, and views on the proposed rule.

2. A hearing on a proposed rule may not be held earlier than thirty (30) days after notice of the hearing is published pursuant to subsection B of this section.
3. The provisions of this subsection shall not be construed to prevent an agency from holding a hearing or hearings on the proposed rule although not required by the provisions of this subsection; provided, that notice of such hearing shall be published in “The Oklahoma Register” at least thirty (30) days prior to such hearing.

D. 1. Except as otherwise provided in this subsection, an agency shall issue a rule impact statement of a proposed rule prior to or within fifteen (15) days after the date of publication of the notice of proposed rule adoption. The rule impact statement may be modified after any hearing or comment period afforded pursuant to the provisions of this section.

2. The agency shall consult with counties, municipalities, and school boards, as necessary, when preparing the rule impact statement of a proposed rule which increases or decreases the revenue of counties, cities, or school districts, or imposes functions or responsibilities on such entities which may increase the expenditures or fiscal liability of the entity. The agency shall consult and solicit information from businesses, business associations, local government units, state agencies, or members of the public that may be affected by the proposed rule or that may provide relevant information to the agency.

3. Except as otherwise provided in this subsection, the rule impact statement shall include, but not be limited to:

a. a statement of the need for the rule and legal basis supporting it,

b. a classification of the rule as major or nonmajor, with a justification for the classification, including an estimate of the total annual implementation and compliance costs that are reasonably expected to be incurred by or passed along to businesses, state or local government units, or individuals and a determination of whether those costs will exceed One Million Dollars (\$1,000,000.00) over the initial five-year period following the promulgation of the proposed rule. Provided, if the costs exceed One Million Dollars (\$1,000,000.00), the agency shall classify the rule as a major rule,

c. a description of the purpose of the proposed rule, including a determination of whether the proposed rule is mandated by federal law, or as a requirement for participation in or implementation of a federally subsidized or assisted program, and whether the proposed rule exceeds the requirements of the applicable federal law,

d. a description of the classes of persons who most likely will be affected by the proposed rule, including classes that will bear the costs of the proposed rule, and any information on cost impacts received by the agency from any private or public entities,

e. a description of the classes of persons who will benefit from the proposed rule,

f. a comprehensive analysis of the rule's economic impact, including any anticipated impacts on the full-time-employee count of the agency, any costs or benefits, and a detailed quantification of implementation and compliance costs on the affected businesses, business sectors, public utility ratepayers, individuals, state or local government units, and on the state economy as a whole. The analysis shall include a listing of all fee changes and, whenever possible, a separate justification for each fee change,

g. a detailed explanation of the methodology and assumptions used to determine the economic impact, including the dollar amounts calculated,

h. a determination of whether implementation of the proposed rule will have an economic impact on any political subdivisions or require their cooperation in implementing or enforcing the rule,

- i. a determination of whether implementation of the proposed rule may have an adverse economic effect on small business as provided by the Oklahoma Small Business Regulatory Flexibility Act,
- j. any measures taken by the agency to minimize the cost and impact of the proposed rule on business and economic development in this state, local government units of this state, and individuals,
- k. a determination of the effect of the proposed rule on the public health, safety, and environment and, if the proposed rule is designed to reduce significant risks to the public health, safety, and environment, an explanation of the nature of the risk and to what extent the proposed rule will reduce the risk,
- l. a determination of any detrimental effect on the public health, safety, and environment if the proposed rule is not implemented, and
- m. the date the rule impact statement was prepared and, if modified, the date modified.

4. To the extent an agency for good cause finds the preparation of a rule impact statement or the specified contents thereof are unnecessary or contrary to the public interest in the process of adopting a nonmajor rule, the agency may request the Governor to waive such requirement. Such request shall be in writing and shall state the agency's findings and the justification for such findings. Upon request by an agency, the Governor may also waive the rule impact statement requirements for a nonmajor rule if the agency is required to implement a statute or federal requirement that does not require an agency to interpret or describe the requirements, such as federally mandated provisions which afford the agency no discretion to consider less restrictive alternatives. If the Governor fails to waive such requirement, in writing, prior to publication of the notice of the intended rulemaking action, the rule impact statement shall be completed. The determination to waive the rule impact statement shall not be subject to judicial review.

E. Upon completing the requirements of this section, an agency may adopt a proposed rule. No rule is valid unless adopted in substantial compliance with the provisions of this section.