



## Wisconsin State Legislature

FOR MORE INFORMATION  
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### **REIN-ing in Government Regulations**

Many of us remember learning about how a bill becomes a law from high school civics classes, but what happens after a law is enacted? How is a new law implemented? In Wisconsin, the legislature has authorized state agencies to write administrative rules to flush out the details of how new laws will work and establish procedures for implementation. Pretend, for a moment, that the legislature passed a law that all donuts must contain buttercream and prohibited filling donuts with custard. In this hypothetical situation, a state agency would write administrative rules explaining how to notify bakeries of this new requirement, how and when to inspect donuts and how to collect a fine from violators.

In Wisconsin, when state agencies propose new administrative rules, the legislature reviews the final draft of the new rule and the rule goes into effect unless the legislature objects. A bill passed by the State Senate and State Assembly last month improves the transparency and accountability of the rule-making process by strengthening the legislature's oversight of the rule making process.

Senate Bill 15, known as the REINS Act (Regulations from the Executive in Need of Scrutiny), makes three important changes to the rule-making process. First, it requires the Department of Administration to determine if an agency has the authority to write a new administrative rule before the rule-making process begins. This is important because it ensures state agencies are not proposing rules that go beyond the legislature's intent or the agency's authority.

Second, the bill strengthens the role of the legislature's Joint Committee for the Review of Administrative Rules (JCRAR) by authorizing it to request an independent economic impact analysis of a proposed rule. Currently, the economic impact of a proposed rule is calculated by the agency writing the rule. This will bring outside expertise to the rule-making process and help agencies craft rules that meet their intended goals without creating overly burdensome regulations for businesses and local governments. Additionally, JCRAR can request a public hearing at the beginning of the rule-making process, allowing Wisconsin citizens and businesses a greater opportunity to weigh in on a proposed rule. Holding a public hearing at the beginning of the rule-making process will also help the agency, legislature and the public better understand the cost of a proposed rule.

Third, and most importantly, the REINS Act requires the legislature to approve a new rule that is expected to cost \$10 million or more over two years. The need for this oversight became evident when the "Phosphorus Rule" took effect in 2010. In 2009, then Governor Jim Doyle signed a law banning phosphorus from fertilizers because of concerns about run-off into Wisconsin waterways. We now know that this rule will cost local governments and businesses as much as \$7 billion, yet it was promulgated without a legislative committee voting on it.

The REINS Act is the first regulatory reform legislation of its kind in the country. I believe it will serve as a model for rest of the country as a way to provide checks and balances and make sure that regulations make sense and are affordable. Senate Bill 15 is currently awaiting Governor Scott Walker's signature to become law.

*If you have any questions about any of the information I have included or if you have suggestions on other topics or issues you would like learn more about, you may call my office toll-free at (800) 991-5541; write me at P.O. Box 7882, Madison, WI 53707; or e-mail me at:*

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