

STATE OF INDIANA

EXECUTIVE DEPARTMENT INDIANAPOLIS

EXECUTIVE ORDER 25-17

**FOR: PROMOTING FREEDOM AND OPPORTUNITY FOR HOOSIERS
BY REDUCING REGULATION AND CONTROLLING
REGULATORY COSTS**

TO ALL WHOM THESE PRESENTS MAY COME, GREETINGS.

WHEREAS, administrative regulations (or rules) are frequently necessary to provide explanation and direction of our state's laws and provide clarity and certainty to regulated entities and citizens;

WHEREAS, successive iterations of administrative rules have frequently been issued without due regard to the existing regulatory burdens imposed by prior rules from the agency or other agencies;

WHEREAS, excessive regulation at all levels of government can impose high costs on businesses, inhibit job growth, and impede private sector investment;

WHEREAS, research has shown that administrative rules have regressive effects by increasing the prices of basic necessities, which typically consume a larger share of the budget of lower-income households;

WHEREAS, research has shown that certain types of administrative rules inhibit entrepreneurship, particularly in lower-income households, because entrepreneurs in lower-income segments have relatively greater difficulty surmounting unnecessary barriers to entry created by administrative rules;

WHEREAS, Executive Order 2-89 first imposed a requirement that agencies conduct a cost-benefit analysis of proposed rules and submit the analysis to the State Budget Agency ("SBA") prior to commencing formal rulemaking;

WHEREAS, Executive Order 13-03, the Regulatory Moratorium, required prescreening of proposed rules by the Office of Management and Budget ("OMB") and was effective at reducing the rate of agencies adopting new administrative rules as well as the relative burdens of the administrative rules adopted;

WHEREAS, Public Law 249-2023 codified the requirements of Executive Orders 2-89 and 13-03, required publication of the cost-benefit analysis, and other important changes to the rulemaking process;

WHEREAS, Public Law 93-2024 included additional levels of review and scrutiny for administrative rules that impose costs in excess of one million dollars (\$1,000,000) over two years;

WHEREAS, while the State of Indiana has implemented several important reforms to limit the burdens imposed through the adoption of new administrative rules, those reforms have not reduced the burdens of previously existing regulations;

WHEREAS, effective and efficient governance requires that administrative rules remain up-to-date, relevant, and minimally burdensome while achieving their intended purposes;

WHEREAS, periodic review of administrative rules ensures that they continue to meet the standards outlined in the Indiana Code § 4-22-2-19.5;

WHEREAS, a thorough evaluation and reduction of existing administrative rules reduces unnecessary regulatory burdens on small businesses, promotes economic growth, and maintains regulatory standards that align with the needs of Hoosiers and Hoosiers businesses; and

WHEREAS, advancing technology, economic conditions, and public feedback require administrative rules to adapt in order to remain effective and relevant;

NOW, THEREFORE, I, Michael K. Braun, by virtue of the authority vested in me as the Governor of the State of Indiana, do hereby order that:


1. All state agencies shall review existing rules scheduled for readoption, in compliance with Indiana Code § 4-22-2.6-4 and this Executive Order, to determine the continued need for the agency's rules.
2. In addition to the requirements of Indiana Code § 4-22-2.6-4(a) and (b), an agency evaluating a rule for readoption must compare the requirements in the rule to similar requirements in Illinois, Kentucky, Michigan, Ohio, and any additional states designated by OMB for comparison.
3. An agency evaluating a rule for readoption shall prepare written findings concerning the agency's determinations under Indiana Code § 4-22-2.6-4 and this Executive Order that include:
 - a. A statement whether the subject matter covered by the rule remains carried out by the agency.
 - b. The rationale for the agency's determination under Indiana Code § 4-22-2.6-4(a) for the continued need for the rule.
 - c. The rationale for the agency's determination under subsection Indiana Code § 4-22-2.6-4 (a) that the rule, if readopted, will meet each of the standards in Indiana Code § 4-22-2-19.5 and (if applicable) the requirements for fees, fines, and civil penalties in Indiana Code § 4-22-2-19.6.
 - d. Either:
 - i. Any revisions to previously prepared cost benefit, economic impact, fiscal impact, or regulatory burden statements prepared by the agency for the rule under Indiana Code § 4-3-22-13, 4-3-27-12, 4-22-2-22.7, 4-22-2-22.8, 4-22-2-28, and 4-22-2.1-5, if those previously prepared statements were published by the Indiana Register; or
 - ii. If the rule did not have a prior cost benefit, economic impact, fiscal impact, or regulatory burden statements prepared by the agency for the rule under Indiana Code § 4-3-22-13, 4-3-27-12, 4-22-2-22.7, 4-22-2-22.8, 4-22-2-28, and 4-22-2.1-5 published in the Register, a copy of an updated regulatory burden statement that meets the requirements of Indiana Code § 4-22-2-22.7.
 - e. Any alternative methods of achieving the purpose of the rule that are less costly or less intrusive, or that would otherwise minimize the economic impact of the proposed rule on small businesses (as defined in Indiana Code § 4-22-2.1-4) and other regulated entities.
 - f. The nature of any complaints or comments received from the public, including small businesses (as defined in Indiana Code § 4-22-2.1-4), concerning the rule or the rule's implementation by the agency.
 - g. Any difficulties encountered by:
 - i. the agency in administering the rule; or
 - ii. small businesses (as defined in Indiana Code § 4-22-2.1-4) or other regulated persons in complying with the rule.
 - h. The degree to which technology, economic conditions, or other factors have changed in the area affected by the rule since the last time the rule was adopted, readopted, or amended in the Indiana Register.
 - i. Whether the federal government or any of the states covered by Section 2 of this Executive Order have less restrictive requirements than the rule, and, if so, the evidence or unique circumstances that justify why the more restrictive requirements in the rule are necessary.

- j. The last time the substantive content of the rule was amended.
 - k. Whether the substantive content in the rule would be more appropriately integrated into Indiana Code as opposed to remaining as a separate administrative rule. In making such a determination, the agency shall consider the frequency of updates to the rule since its initial promulgation. If the substantive content of the rule has not been modified in the prior eight (8) years, the agency must present specific facts that justify keeping the substantive content in administrative rule rather than Indiana Code.
4. The written findings in Section 3 of this Executive Order 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, OMB, and SBA. OMB may provide more stringent requirements for rules with fiscal impacts and costs above a threshold amount determined by the office of management and budget.
 5. If an agency elects to readopt a rule under Indiana Code § 4-22-2.6, the agency shall submit a copy of the written findings under Section 4 of this Executive Order to OMB and Legislative Council not later than the first regular business day in July of the year preceding the year in which the rule expires under this chapter.
 6. OMB is directed to establish policies and procedures for readoption review consistent with Indiana Code 4-22-2.6 and this Executive Order that include:
 - a. A list of states in addition to Illinois, Kentucky, Michigan, and Ohio to be used for regulatory comparison;
 - b. The oversight and implementation of a 25% reduction in regulatory requirements for each agency by January 1, 2029;
 - c. The oversight and implementation of the streamlining of the regulatory/permitting approval processes of all agencies to achieve a substantial shortening of the time required for an approval or rejection; and
 - d. A presumption that administrative rules that have not been amended in the prior eight (8) years should be added to the Indiana Code unless an agency can present a compelling justification that it is more transparent and cost-effective for regulated entities to keep the requirements in administrative rule
 7. All state agencies shall prepare and provide to OMB an administrative rulemaking plan by December 31st of each year that lists all anticipated rulemaking activities during forthcoming calendar year.
 8. OMB shall provide a report to the Governor by December 31st of each year that lists the reduction in regulatory requirements for each agency and streamlining of the regulatory/permitting approval process achieved as a result of this Executive Order.



IN TESTIMONY WHEREOF, I,
Michael K. Braun, have hereunto set
my hand and caused to be affixed the
Great Seal of the State of Indiana on
this 14th day of January, 2025.


Michael K. Braun Governor of Indiana


ATTEST: Diego Morales
Secretary of State