2025 Rulemaking Changes

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Presented to the Air Quality Advisory Council on October 16, 2025

2025 Legislation on Rulemaking

Senate Bill 1024 – Changes to rules approval process

House Bill 2728 - REINS Act

House Bill 2729 - Prohibiting Chevron deference

Overview of DEQ Rulemaking Process

Stakeholder Meetings Advisory Council Meeting Summary and Response to Comments

Drafting Proposed Rules

Public Comments

EQB Meeting

Notice of Rulemaking Intent (NRI)

Rule Impact Statement (RIS) Approval from Legislature and Governor

Senate Bill 1024

SB 1024 requires proposed rules to receive written approval from Governor or Cabinet Secretary within 30 days.

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 approval, the agency may shall not proceed with the rulemaking process.

Senate Bill 1024

Agencies are required to provide the following information in Rule Impact Statements:

- An analysis of alternatives to adopting the proposed rule changes
- Estimates of time spent by state employees developing the rule and other resources utilized to develop the rule.
- A summary and preliminary comparison of any federal regulations intended to address the same activities as the proposed rule changes.

"Major" rules:

11. "Major rule" means any administrative rule, whether emergency or permanent in nature, that will result in or is likely to result in One Million Dollars (\$1,000,000.00) or more over the initial five-year period in implementation and compliance costs that are reasonably expected to be incurred by or passed along to businesses, state or local government units, and individuals as a result of the proposed rule following the promulgation of such rule;

Agencies are required to provide the following information in Rule Impact Statements:

- An explanation of the need for the rule and its legal basis.
- A classification of the rule as major or nonmajor, with cost estimates.
- A determination of whether the rule is mandated by federal law or is required to participate in federally-funded program,
 - and whether the rule exceeds federal requirements.

Agencies are required to provide the following information in Rule Impact Statements (cont.):

- An analysis of the rule's effect on the agency FTE count.
- A detailed explanation of how the agency estimated economic impacts.
- An explanation of any measures taken by the agency to minimize cost and impact on business and economic development.

New duties given to the Legislative Office of Fiscal Transparency (LOFT):

- LOFT will conduct a rule impact analysis for each "major" rule.
 - "independent and reliable" economic analysis.
 - LOFT not allowed to add additional FTEs for rule review.
- LOFT has 21 days to determine whether an agency complied with the new REINS Act requirements.
 - Law is silent on what happens if they don't meet the deadline.

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

House Bill 2729 - Judicial Deference

E. In the interpretation of a state statute, administrative rule, or other regulation, the reviewing court or officer hearing an administrative action shall not defer to the interpretation of a state agency and shall interpret the meaning and effect de novo. In an action brought by or against a state agency, after applying all customary tools of interpretation, the court or hearing officer shall exercise any remaining doubt in favor of a reasonable interpretation which limits agency power and maximizes individual liberty.

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252:4-7-4. Filing an application

- (a) **Tier I.** The applicant shall file (2) copies of a complete Tier I application unless the application form or instructions specifies that only one (1) copy is needed in either paper or acceptable electronic document format. Applicants seeking permits for alternative individual on-site sewage disposal systems and alternative small public on-site sewage disposal systems (OAC 252:641) shall file one also provide a copy with to the local DEQ office for the county in which the real property is located.
- (b) **Tier II & III.** The applicant shall file three (3) copies of completed Tier II and Tier III applications with the DEQ and place one (1) a copy for public review in the county in which the site, facility or activity is located.

252:4-7-6. Receipt of applications

When an application and appropriate fee are received, each program shall:

- (1) file stamp or electronically file stamp the application with the date of receipt, the Division and/or program name and an identification number;
- (2) assign the application to a permit reviewer; and
- (3) enter this information in a database or log book.

252:4-7-7. Administrative completeness review

The reviewer shall have 60 calendar days from the file-stamped date of filing to determine if the application is administratively complete.

- (1) **Not complete.** If the reviewer <u>decides determines</u> that the application is not complete, he/she shall immediately notify the applicant by <u>mailletter</u>, <u>sent by mail or email</u>, describing with reasonable specificity the deficiencies and requesting supplemental information. The reviewer may continue to ask for specific information until the application is administratively complete. If the reviewer does not notify the applicant of deficiencies, the period for technical review shall begin at the close of the administrative completeness review period.
- (2) **Complete.** When the application is administratively complete, the reviewer shall enter the date in the database or log book and immediately notify the applicant by mail or email. Once the application is deemed administratively complete, The the period for technical review begins.

252:4-7-8. Technical review

- (a) Each program shall have the time period specified in Parts 3 through 57 of this Subchapter to review each application for technical compliance with the relevant rules and to reach a final determination. If the data in the application does not technically comply with the relevant rules or law, the reviewer mayshall notify the applicant by mail or email, describing with reasonable specificity the deficiencies and requesting supplemental information.
- (b) Any environmental permit that is not described in this Subchapter shall be reviewed with all due and reasonable speed.

252:4-7-9. When review times stop

The time period for review stops during:

- (1) litigation;
- (2) public review and participation, including waiting periods, comment periods, public meetings, administrative hearings, DEQ preparation of response to comments and/or review by state or federal agencies;
- (3) the periods of time it takes the applicant to fully respond to a Notice of Deficiencies or a requests request for supplemental information; and
- (4) the time in which an applicant amends his/her application of his/her own accord.

252:4-7-10. Supplemental time

The Notice of Deficiencies and request for supplemental information may state that up<u>Up</u> to 30 additional calendar days may be added to the application processing time in the event that either a Notice of Deficiencies or request for supplemental information is sent to the applicant. Requests for supplemental information may also state that additional Additionally, a number of days for technical review equal to the number of days the applicant used to respond may be added to the review time for technical review.

252:4-7-19. Consolidation of permitting process

- (a) **Discretionary.** Whenever an applicant applies for more than one permit for the same site, the DEQ may authorize, with the consent of the applicant, consolidate the review of the applications to be consolidated so that each required draft permit, draft denial and/or proposed permit is prepared at the same time and public participation opportunities are combined.
- (b) **Scope.** When consolidation is authorized by the DEQ:
 - (1) The procedural requirements for the highest specified tier shall apply to each affected application.
 - (2) The DEQ may also authorize the consolidation of public comment periods, process and public meetings, and/or administrative permit hearings.
 - (3) Final permits may be issued together.
- (c) **Renewal.** The DEQ may coordinate the expiration dates of new permits issued to an applicant for the same facility or activity so that all the permits are of the same duration.
- (d) **Multiple modifications.** Subsections (a) and (b) of this section shall also apply to multiple Tier II and III applications for permit modifications.