



HOUSE BILL 402: NC REINS Act.

2025-2026 General Assembly

Committee:	House Regulatory Reform. If favorable, re-refer to Judiciary 1. If favorable, re-refer to Commerce and Economic Development. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	March 18, 2025
Introduced by:	Reps. Chesser, Bell, Zenger, Schietzelt	Prepared by:	Chris Saunders
Analysis of:	First Edition		Committee Counsel

OVERVIEW: *House Bill 402 would require that a proposed permanent rule that would have an aggregate economic impact on all persons affected of at least \$1,000,000 in a 12-month period, calculated based on the combined cost of the baseline conditions and the proposed rule, could not become effective unless affirmatively ratified by the General Assembly. The Joint Legislative Administrative Procedure Oversight Committee would be directed to review and make recommendations on whether rules subject to ratification by the General Assembly should be approved.*

[As introduced, this bill was identical to S290, as introduced by Sens. Jarvis, Moffitt, Sawrey, which is currently in an unknown committee.]

CURRENT LAW: Under current law, when an agency proposes a permanent rule that would have an aggregate financial impact on all persons affected of at least \$1,000,000 in a 12-month period, the agency must prepare a fiscal note, which is reviewed by the Office of Management and Budget. The agency must calculate the economic impact by assessing the baseline conditions against which the proposed rule is to be measured and estimating the additional costs that would be created by implementation of the proposed rule by measuring the incremental difference between the baseline and the future condition expected after implementation of the rule.

A proposed rule must be reviewed by the Rules Review Commission (RRC). If the RRC receives written objections to the proposed rule from at least 10 people, the rule becomes subject to legislative review. A rule subject to legislative review becomes effective on the earlier of the 31st legislative day or the day of adjournment of the next regular session of the General Assembly that begins at least 25 days after the date the RRC approved the rule. If any member of the General Assembly introduces a bill to disapprove the rule before the 31st legislative day of that session, the rule becomes effective on the earlier of the day the General Assembly takes an unfavorable final action on the disapproval bill, or the date that the General Assembly adjourns without ratifying the disapproval bill. If the disapproval bill is enacted into law, the rule cannot become effective.

BILL ANALYSIS: House Bill 402 would require that a proposed permanent rule that would have an aggregate economic impact on all persons affected of at least \$1,000,000 in a 12-month period, calculated based on the combined cost of the baseline conditions and the proposed rule, could not become effective unless the General Assembly ratifies a bill to approve the rule. When the RRC approves a rule that has an

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aggregate economic impact on all persons affected of at least \$1,000,000 in a 12-month period, calculated based on the combined cost of the baseline conditions and the proposed rule, the RRC would be required to notify the cochairs of the Joint Legislative Administrative Procedure Oversight Committee (APO) that the rule was approved. A rule that requires ratification by the General Assembly would not be subject to legislative review as initiated by the RRC receiving 10 letters of objection.

The bill would also grant APO the power and duty to review and make recommendations on rules referred to it by RRC for approval within 60 days of receiving the rule. The recommendation would be advisory, and would not preclude a member from filing a bill to approve the rule.

Any member of the General Assembly would be able to introduce a bill to approve a rule on the earlier of (i) the day after the APO Committee reviews the rule and makes a favorable or unfavorable recommendation to the General Assembly, or (ii) 60 days after APO receives the rule from RRC, if APO has not made a recommendation to the General Assembly.

If a bill to approve the rule is enacted, the proposed rule would become effective on the later of the first day of the month after the month the approval bill becomes effective, or a date specified by the agency adopting the rule. If a bill to approve the rule is not enacted, the rule would not become effective.

EFFECTIVE DATE: This act would be effective when it becomes law and would apply to rules adopted on or after that date.

BACKGROUND: At the federal level, in Immigration and Naturalization Service v. Chadha, 462 U.S. 919 (1983), the Supreme Court held that unicameral legislative vetoes, allowing Congress to overturn executive actions without passage by both chambers of Congress and presentment to the President as required by Art. I, § 7 of the U.S. Constitution, violated the Constitution's separation of powers.