



# HOUSE BILL 402: Limit Rules With Substantial Financial Costs.

2025-2026 General Assembly

**Analysis of:** S.L. 2025-82

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S.L. 2025-82 (House Bill 402) provides that a proposed permanent rule with an aggregate financial cost of \$20 million in a five-year period cannot become effective unless the General Assembly ratifies a bill approving the rule. If the General Assembly does not ratify a bill approving the rule, the Rules Review Commission must return the rule to the agency within 15 days of the General Assembly adjourning for a period of 30 days or more. This act does not apply to rules required by federal law.

"Aggregate financial cost" is defined as the amount of costs to all persons affected, as identified in a substantial economic impact analysis, not including benefits. "Substantial economic impact" means an aggregate financial impact on all persons affected by a proposed rule of \$1 million in a five-year period.

Further, the act imposes limitations on permanent rules adopted by a board, commission, council, or similar unit of government, including rules adopted as part of the periodic review and readoption process, as follows:

- For proposed permanent rules with an aggregate financial cost of at least \$1 million over a five-year period, the rule must be adopted by a vote of at least 2/3 of all members present and voting, except if the rule or set of rules is required by federal law.
- For proposed permanent rules with an aggregate financial cost of \$10 million over a five-year period, the rule must be adopted by a unanimous vote of all members present and voting, except if the rule or set of rules is required by federal law.

This bill was vetoed by the Governor on June 27, 2025, and that veto was overridden by the General Assembly on July 29, 2025. This act became effective July 29, 2025, and applies to rules adopted on or after that date.

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