

LEGISLATURE OF NEBRASKA  
ONE HUNDRED NINTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 472**

Introduced by McKeon, 41.

Read first time January 21, 2025

Committee: Government, Military and Veterans Affairs

1 A BILL FOR AN ACT relating to government regulations; to adopt the

2 Regulatory Management Act.

3 Be it enacted by the people of the State of Nebraska,

1           **Section 1.** Sections 1 to 3 of this act shall be known and may be  
2 cited as the Regulatory Management Act.

3           **Sec. 2.** For purposes of the Regulatory Management Act:

4           (1) Agency means each board, commission, department, officer,  
5 division, or other administrative office or unit of the state government  
6 authorized by law to make rules and regulations, except the Adjutant  
7 General's office as provided in Chapter 55, the courts including the  
8 Nebraska Workers' Compensation Court, the Commission of Industrial  
9 Relations, the Legislature, and the Secretary of State with respect to  
10 the duties imposed by the act;

11           (2) Anecdotal problem means an isolated incident or issue based on  
12 individual cases or specific situations, not indicative of a broader  
13 pattern or systemic deficiency, and typically resolvable through existing  
14 procedures or case-by-case interventions without necessitating new  
15 regulatory requirements;

16           (3) Cost of compliance means the total estimated financial burden  
17 imposed on individuals or businesses to adhere to regulatory  
18 requirements;

19           (4) Monetized cost or benefit means those costs or benefits that can  
20 be expressed in monetary terms, such as health benefits leading to a  
21 reduction in health care costs for employees, improvements to market  
22 efficiency due to loss reduction or reduced transaction costs, consumer  
23 savings, licensure and registration fees, legal costs, certification and  
24 education costs, material costs, or opportunity costs related to property  
25 value or usage;

26           (5) Nonmonetized cost or benefit means those costs or benefits that  
27 cannot be easily quantified in monetary terms, such as costs or benefits  
28 associated with changes in privacy protections, indirect environmental  
29 impacts, changes in how markets are regulated, or changes in security  
30 protocols or requirements;

31           (6) Regulatory requirement means any action or step that must be

1 taken or piece of information that must be provided in accordance with  
2 legislation, regulation, guidance, policy, or forms, but does not include  
3 nonbinding statements such as statements concerning only the internal  
4 management of any agency not affecting private rights or procedures,  
5 declaratory rulings, intra-agency or interagency memoranda, or agency  
6 guidance that is not enforceable under the rule of law; and

7 (7) Systemic failure or problem means a widespread market failure,  
8 government failure, or other issue affecting the functionality or  
9 efficiency of an industry, market, process, or system within the state  
10 that (a) is identified using a coherent and testable theory explaining  
11 why the failure or problem is systemic rather than anecdotal and (b) is  
12 reasonably considered to be possible to resolve or mitigate through  
13 regulatory intervention.

14 **Sec. 3.** (1)(a) The Office of Regulatory Management is established,  
15 which shall be under the direct control and supervision of the Director  
16 of Regulatory Management appointed by the Governor to serve at the  
17 pleasure of the Governor.

18 (b) The Director of Regulatory Management shall exercise the powers  
19 and perform the duties conferred or imposed by the Regulatory Management  
20 Act and perform such other duties as may be required by the Governor. The  
21 director shall be responsible for the overall supervision of the office's  
22 programs and personnel. The office shall serve as an agency whose  
23 services are primarily for the support and regulation of other state  
24 agencies in carrying out their regulatory functions.

25 (c) The office shall include appropriate staff to carry out the  
26 duties and programs assigned to the office.

27 (2) The office shall supervise the establishment of a baseline  
28 catalog of regulatory requirements currently in effect and accurately  
29 maintain and publish such catalog in a manner that is fully transparent.  
30 In order to create this catalog:

31 (a) Each agency shall conduct and communicate to the office an

1 internal review of all regulatory requirements currently in effect and  
2 update such review at the request of the office or every two years,  
3 whichever is soonest;

4 (b) Each regulatory requirement shall be listed along with its  
5 governing regulation, statutory authority or requirement, or other  
6 relevant documentation. The catalog shall retain a consistent format to  
7 ensure data efficacy over time;

8 (c) Agency reviews, pursuant to this subsection, shall be completed  
9 and communicated to the office no later than six months after the  
10 effective date of this act. Thereafter, updates to agency reviews shall  
11 be completed and communicated to the office no later than sixty days  
12 after an update request or at the end of the two-year period described in  
13 this subsection if no update has been requested by the office; and

14 (d) The office shall publish, in a manner that is fully transparent,  
15 a biennial report showing the change in the number and estimated impact  
16 of regulatory requirements currently enacted by each agency. Such report  
17 shall include an estimated change in cost of compliance for the median  
18 citizen or business of the State of Nebraska.

19 (3) The office shall collect, analyze, assess, and publish agency  
20 evaluations, reports, needs assessments, or other due diligence related  
21 to new regulatory requirements to ensure best practices are being  
22 utilized in the creation of new requirements. All departments, agencies,  
23 offices, or divisions of the State of Nebraska shall provide the office  
24 with such evaluations, reports, needs assessments, or other due diligence  
25 upon request.

26 (4) The office shall endeavor to ensure that agencies are (a)  
27 clearly identifying a systemic failure or problem that requires new  
28 regulatory action to solve and not an anecdotal problem that could be  
29 handled on a case-by-case basis, (b) analyzing credible and substantial  
30 empirical evidence to support the agency's identification of a systemic  
31 failure or problem, (c) establishing a clear analysis of the costs and

1 benefits of new regulatory requirements to be taken to solve a systemic  
2 failure or problem identified by the agency, and (d) adequately  
3 addressing uncertainty about the existence or impact of the systemic  
4 failure or problem identified by the agency.

5 (5) When establishing an analysis of a regulatory requirement, an  
6 agency shall provide monetized estimates of nonmonetized costs or  
7 benefits when such an estimate is feasible, and quantitative estimates of  
8 nonmonetized effects when such an estimate is not feasible. If neither a  
9 monetized nor a quantitative estimate is feasible for a nonmonetized  
10 cost, agencies shall provide a note within the analysis with qualitative  
11 descriptions of such nonmonetized costs and benefits.

12 (6) If the office determines that best practices were not used in  
13 identifying a systemic failure or problem and subsequent regulatory  
14 action taken by an agency, the office shall communicate to the agency and  
15 the Governor a request to reevaluate the decision to take regulatory  
16 action based on the best practices established in the Regulatory  
17 Management Act and those further established by the office. The office  
18 shall not consider a statement of statutory authorization to be  
19 sufficient due diligence in the identification of a systemic failure or  
20 problem or as substantial evidence of the need for new regulatory action.

21 (7) The office shall publish agency evaluations, reports, needs  
22 assessments, or other due diligence provided, as well as the office's  
23 assessment thereof, in a manner that is fully transparent.

24 (8) If any new regulatory requirement is mandated by statute, such  
25 information shall be included in the information provided to the office  
26 and shall be published in the office's assessment thereof in accordance  
27 with the act.

28 (9) The office shall not have the authority to authorize or reject  
29 regulatory actions taken by any other agency.