

CO-SPONSORSHIP MEMORANDUM

DATE: May 30, 2025

TO: Legislative Colleagues

FROM: Representative Adam Neylon

Senator Steve Nass

RE: Co-Sponsorship of LRB-0565 & LRB-2513, relating to the expiration of administrative rules.

DEADLINE: Wednesday, May 14 at 5PM

Wisconsin is the **13th most regulated state in the nation**, with over 165,000 regulatory restrictions—a staggering 5.25 times more than Idaho, the least regulated state. While reform-minded states like Idaho and Ohio have aggressively reduced red tape, Wisconsin’s regulatory code grew by 2.3% between 2020 and 2023.

Excessive regulation stifles economic growth, drives up costs, and discourages innovation. A new study by the Wisconsin Institute for Law & Liberty found that reducing red tape by just 10% over three years could add \$6.6 billion to Wisconsin’s GDP by 2037. A 40% reduction could yield over \$68 billion in growth.

As part of the **“Red Tape Reset”** reform package, this bill introduces a seven-year sunset review process for all chapters of the Wisconsin Administrative Code to ensure outdated and unnecessary regulations don’t remain on the books indefinitely.

Key Provisions:

- **Seven-Year Sunset:** Each chapter of the administrative code will expire seven years after creation or readoption unless affirmatively readopted.
- **Rolling Review:** The Joint Committee for Review of Administrative Rules (JCRAR) will set a schedule for reviewing existing chapters on a rolling basis.
- **Streamlined Readoption:** Agencies may notify JCRAR and relevant standing committees of intent to readopt a chapter. If no objections are raised, the rule is automatically renewed. If objections arise, standard rulemaking—with public and legislative input—applies.

- **One-Year Extension:** JCRAR may grant a one-year extension if more time is needed to complete the review.
- **Language Modernization:** Agencies must update outdated, derogatory, or offensive language during the readoption process.

Unlike the private sector, where policies are regularly evaluated and phased out if no longer useful, Wisconsin's administrative code often remains untouched for decades. This regulatory accumulation enables agencies to enforce outdated or duplicative rules, creating unnecessary burdens on businesses, especially small employers.

A sunset review process ensures every regulation must periodically justify its existence, promoting efficiency, accountability, and public transparency. By requiring regular review and offering opportunities for public input, this reform creates a more modern, responsive, and balanced regulatory framework.

A 2024 poll by the Institute for Reforming Government found that 67% of voters support requiring legislative review of older rules, showing strong public backing for this common-sense reform.

If you would like to co-sponsor this legislation, please contact Rep. Neylon's office (237-9115) or Sen. Nass's office (266-2635) by 5PM on May 14th. Co-sponsors will be added to both the Assembly and Senate bills unless otherwise requested.

Analysis by the Legislative Reference Bureau

This bill provides for the expiration of each chapter of the Wisconsin Administrative Code after seven years, unless the chapter is readopted by the agency through the readoption process established under the bill.

Under current law, an agency may promulgate administrative rules when it is granted rule-making authority under the statutes. Once promulgated, administrative rules remain in effect indefinitely unless repealed or amended by the agency or suspended by the Joint Committee for Review of Administrative

Rules.

This bill provides that each chapter of the code expires seven years after a rule that creates, or repeals and recreates, the chapter takes effect or after the chapter is readopted. The bill requires JCRAR to establish a schedule for the expiration of all existing code chapters that

are in effect on the effective date of the bill. Under the bill, in the year before a code chapter is set to expire, an agency may send to JCRAR and the appropriate standing committees a notice of its intention to readopt the chapter. If no member of JCRAR or the standing committees objects to the readoption notice, the chapter is considered readopted without further action. If any member of JCRAR or either standing committee objects to readoption of the chapter, the chapter expires on its expiration date unless the agency promulgates a rule to readopt the chapter using the standard rule-making process. Under the bill, JCRAR may extend the effective date of the chapter that is set to expire for up to one year to accommodate readoption of the chapter through the standard rulemaking process. The bill also requires agencies to avoid in rules the use of words and phrases that are outdated or that are now understood to be derogatory or offensive.