

**As Passed by the Senate**

**133rd General Assembly**

**Regular Session**

**2019-2020**

**Sub. S. B. No. 1**

**Senators McColley, Roegner**

**Cosponsors: Senators Obhof, Brenner, Coley, Hackett, Hoagland, Hottinger,  
Huffman, S., Huffman, M., Lehner, Rulli, Peterson, Wilson, Terhar, Gavarone,  
Manning, Schaffer, Schuring, Uecker**

---

**A BILL**

To amend sections 106.021, 106.03, and 106.031 and 1  
to enact sections 101.354, 101.355, 107.57, 2  
121.031, 121.95, 121.951, 121.952, and 121.953 3  
of the Revised Code to require certain agencies 4  
to reduce the number of regulatory restrictions 5  
in their administrative rules. 6

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That sections 106.021, 106.03, and 106.031 be 7  
amended and sections 101.354, 101.355, 107.57, 121.031, 121.95, 8  
121.951, 121.952, and 121.953 of the Revised Code be enacted to 9  
read as follows: 10

**Sec. 101.354.** (A) The joint committee on agency rule 11  
review shall advise and assist state agencies in preparing base 12  
and revised inventories of regulatory restrictions and shall 13  
advise and assist state agencies in achieving specified 14  
percentage reductions in regulatory restrictions in the 15  
Administrative Code in accordance with sections 121.95, 121.951, 16  
121.952, and 121.953 of the Revised Code. 17

(B) Beginning in 2020, not later than the fifteenth day of 18  
June of each year, the executive director of the joint committee 19  
shall prepare an historical report aggregating the reports 20  
received from state agencies for the preceding year. In the 21  
report, the executive director also shall describe the work of 22  
the joint committee over the preceding year with respect to 23  
reduction of regulatory restrictions and shall indicate, out of 24  
the total number of regulatory restrictions inventoried by state 25  
agencies, the percentage by which state agencies have reduced 26  
those regulatory restrictions. The report also shall provide 27  
recommendations for statutory changes, where appropriate, 28  
brought to the attention of the joint committee as contributing 29  
to the adoption of regulatory restrictions. The executive 30  
director shall submit the report to the members of the joint 31  
committee, which shall publish the report on its web site and 32  
transmit copies of the report electronically to the speaker of 33  
the house of representatives and the president of the senate. 34

**Sec. 101.355.** The joint committee on agency rule review, 35  
in consultation with legislative information systems, shall do 36  
both of the following: 37

(A) Create and maintain a system that state agencies shall 38  
use to enter regulatory restriction data, create required 39  
inventories, and transmit copies of inventories, reports, and 40  
any other documents to the joint committee and the speaker of 41  
the house of representatives and the president of the senate 42  
under sections 121.95, 121.951, and 121.953 of the Revised Code, 43  
and that will assist the joint committee in aggregating reports 44  
and performing other prescribed duties under sections 101.354, 45  
121.95, 121.951, 121.952, and 121.953 of the Revised Code; 46

(B) Establish, maintain, and improve the cut red tape 47

system, which shall include a web site and shall allow members 48  
of the public to request information about regulatory 49  
restrictions and to communicate with the joint committee about 50  
regulatory restrictions. 51

**Sec. 106.021.** If, upon reviewing a proposed rule or 52  
revised proposed rule, the joint committee on agency rule review 53  
makes any of the following findings with regard to the proposed 54  
rule or revised proposed rule, the joint committee may recommend 55  
to the senate and house of representatives the adoption of a 56  
concurrent resolution to invalidate the proposed rule or revised 57  
proposed rule or a part thereof: 58

(A) The proposed rule or revised proposed rule exceeds the 59  
scope of its statutory authority. 60

(B) The proposed rule or revised proposed rule conflicts 61  
with the legislative intent of the statute under which it was 62  
proposed. 63

(C) The proposed rule or revised proposed rule conflicts 64  
with another proposed or existing rule. 65

(D) The proposed rule or revised proposed rule 66  
incorporates a text or other material by reference and: 67

(1) The accompanying citation is not such as reasonably 68  
would enable a reasonable person to whom the proposed rule or 69  
revised proposed rule applies readily and without charge to find 70  
and inspect the incorporated text or other material; 71

(2) The accompanying citation is not such as reasonably 72  
would enable the joint committee readily and without charge to 73  
find and inspect the incorporated text or other material, and 74  
the agency did not file or otherwise make the incorporated text 75  
or other material available without charge to the joint 76

committee; or 77

(3) The agency has treated the proposed rule or revised 78  
proposed rule in whole or in part as exempt from sections 121.71 79  
to 121.74 of the Revised Code on grounds the incorporated text 80  
or other material has one or more of the characteristics 81  
described in division (B) of section 121.75 of the Revised Code, 82  
but the incorporated text or other material actually does not 83  
have any of those characteristics. 84

(E) The agency has failed to prepare a complete and 85  
accurate rule summary and fiscal analysis of the proposed rule 86  
or revised proposed rule as required by section 106.024 of the 87  
Revised Code. 88

(F) The agency has failed to demonstrate through the 89  
business impact analysis, recommendations from the common sense 90  
initiative office, and the memorandum of response that the 91  
regulatory intent of the proposed rule or revised proposed rule 92  
justifies its adverse impact on businesses in this state. 93

(G) The agency has failed to justify the proposed 94  
adoption, amendment, or rescission of a rule containing a 95  
regulatory restriction. 96

**Sec. 106.03.** Prior to the review date of an existing rule, 97  
the agency that adopted the rule shall do both of the following: 98

(A) Review the rule to determine all whether the rule 99  
should be amended or rescinded, including for the purpose of 100  
accomplishing the reductions in regulatory restrictions required 101  
by section 121.951 of the Revised Code, because it does any of 102  
the following, or otherwise for the purpose of reducing 103  
regulatory restrictions: 104

(1) ~~Whether the rule should be continued without~~ 105

<del>amendment, be amended, or be rescinded, taking into</del>	106
<del>consideration</del> <u>Exceeds or conflicts with</u> the purpose, scope, and	107
<u>or</u> intent of the statute under which the rule was adopted;	108
(2) <del>Whether the rule needs amendment or rescission to give</del>	109
<del>more</del> <u>Provides inadequate</u> flexibility at the local level;	110
(3) <del>Whether the rule needs amendment or rescission to</del>	111
<del>eliminate unnecessary paperwork</del> <u>Creates a compliance or</u>	112
<u>oversight burden for the state agency, or for any person or</u>	113
<u>entity, that is greater than the burden that would be created if</u>	114
<u>the agency accomplished the intended purpose of the restriction</u>	115
<u>by other means;</u>	116
(4) <del>Whether the rule incorporates</del> <u>Is no longer useful or</u>	117
<u>beneficial;</u>	118
(5) <u>Incorporates</u> a text or other material by reference	119
and, if so:	120
(a) <del>Whether the</del> <u>The</u> citation accompanying the	121
incorporation by reference is such as <del>reasonably</del> would <u>not</u>	122
<u>reasonably</u> enable a reasonable person to whom the rule applies	123
readily and without charge to find and inspect the incorporated	124
text or other material;	125
(b) <del>Whether the</del> <u>The</u> citation accompanying the	126
incorporation by reference is such as <del>reasonably</del> would <u>not</u>	127
<u>reasonably</u> enable the joint committee on agency rule review	128
readily and without charge to find and inspect the incorporated	129
text or other material; <del>and</del> <u>or</u>	130
(c) If the rule has been exempted in whole or in part from	131
sections 121.71 to 121.74 of the Revised Code on grounds the	132
incorporated text or other material has one or more of the	133
characteristics described in division (B) of section 121.75 of	134

the Revised Code, ~~whether~~ the incorporated text or other 135  
material does not actually ~~has~~ have any of those 136  
characteristics. 137

~~(5) Whether the rule duplicates~~ 138

(6) Duplicates, overlaps with, or conflicts with ~~other~~ 139  
~~rules;~~ 140

~~(6) Whether the rule has~~ another state or federal law or 141  
rule. A rule duplicates, overlaps with, or conflicts with 142  
another law or rule if it imposes a duty or liability on a 143  
person or entity that the other law or rule also imposes on that 144  
person or entity, in whole or in part, or imposes a duty or 145  
liability that may require a person or entity to violate the 146  
other law or rule in whole or in part. If the rule duplicates, 147  
overlaps with, or conflicts with a rule adopted by another state 148  
agency, the two agencies shall determine which agency shall 149  
amend or rescind its rule and shall develop and execute a plan 150  
to work together to achieve the required oversight. 151

(7) Has an adverse impact on businesses, as determined 152  
under section 107.52 of the Revised Code; 153

~~(7) Whether the rule contains~~ (8) Has an adverse impact on 154  
any other person or entity; 155

(9) Contains words or phrases having meanings that in 156  
contemporary usage are understood as being derogatory or 157  
offensive; ~~and~~ 158

~~(8) Whether the rule requires~~ (10) Requires liability 159  
insurance, a bond, or any other financial responsibility 160  
instrument as a condition of licensure; 161

(11) Imposes a more severe duty or liability than 162

restrictions in neighboring states in order to accomplish the 163  
same goal. 164

In making its review, the agency shall consider the 165  
continued need for the rule, the nature of any complaints or 166  
comments received concerning the rule, and any relevant factors 167  
that have changed in the subject matter area affected by the 168  
rule. 169

(B) On the basis of its review of the existing rule, the 170  
agency shall determine whether the existing rule needs to be 171  
amended or rescinded. 172

(1) If the existing rule needs to be amended or rescinded, 173  
the agency, on or before the review date of the existing rule, 174  
shall commence the process of amending or rescinding the 175  
existing rule in accordance with its review of the rule. 176

(2) If the existing rule does not need to be amended or 177  
rescinded, proceedings shall be had under section 106.031 of the 178  
Revised Code. 179

Upon the request of the agency that adopted an existing 180  
rule, the joint committee on agency rule review may extend the 181  
review date of the rule to a date that is not later than one 182  
hundred eighty days after the review date assigned to the rule 183  
by the agency. Not more than two such extensions may be allowed. 184

**Sec. 106.031.** If an agency, on the basis of its review of 185  
a rule under section 106.03 of the Revised Code, determines that 186  
the rule does not need to be amended or rescinded, proceedings 187  
shall be had as follows: 188

(A) (1) If, considering only the standard of review 189  
specified in division (A) ~~(6)~~ (7) of section 106.03 of the 190  
Revised Code, the rule has an adverse impact on businesses, the 191

agency shall prepare a business impact analysis that describes 192  
its review of the rule under that division and that explains why 193  
the regulatory intent of the rule justifies its adverse impact 194  
on businesses. If the rule does not have an adverse impact on 195  
businesses, the agency may proceed under division (B) of this 196  
section. 197

(2) The agency shall transmit a copy of the full text of 198  
the rule and the business impact analysis electronically to the 199  
common sense initiative office. The office shall make the rule 200  
and analysis available to the public on its web site under 201  
section 107.62 of the Revised Code. 202

(3) The agency shall consider any recommendations made by 203  
the office. 204

(4) Not earlier than the sixteenth business day after 205  
transmitting the rule and analysis to the office, the agency 206  
shall either (a) proceed under divisions (A) (5) and (B) of this 207  
section or (b) commence, under division (B) (1) of section 106.03 208  
of the Revised Code, the process of rescinding the rule or of 209  
amending the rule to incorporate into the rule features the 210  
recommendations suggest will eliminate or reduce the adverse 211  
impact the rule has on businesses. If the agency determines to 212  
amend or rescind the rule, the agency is not subject to the time 213  
limit specified in division (B) (1) of section 106.03 of the 214  
Revised Code. 215

(5) If the agency receives recommendations from the 216  
office, and determines not to amend or rescind the rule, the 217  
agency shall prepare a memorandum of response that explains why 218  
the rule is not being rescinded or why the recommendations are 219  
not being incorporated into the rule. 220

(B) The agency shall assign a new review date to the rule. 221  
The review date assigned shall be not later than five years 222  
after the immediately preceding review date pertaining to the 223  
rule. If the agency assigns a review date that exceeds the five- 224  
year maximum, the review date is five years after the 225  
immediately preceding review date. The immediately preceding 226  
review date includes the date of the review of a rule under 227  
section 106.032 of the Revised Code. 228

(C) (1) The agency shall file all the following, in 229  
electronic form, with the joint committee on agency rule review, 230  
the secretary of state, and the director of the legislative 231  
service commission: a copy of the rule specifying its new review 232  
date, a complete and accurate rule summary and fiscal analysis, 233  
and, if relevant, a business impact analysis of the rule, any 234  
recommendations received from the common sense initiative 235  
office, and any memorandum of response. 236

(2) Subject to section 106.05 of the Revised Code, the 237  
joint committee does not have jurisdiction to review, and shall 238  
reject, the filing of a rule under division (C) (1) of this 239  
section if, at any time while the rule is in its possession, it 240  
discovers that the rule has an adverse impact on businesses and 241  
the agency has not complied with division (A) of this section. 242  
The joint committee shall electronically return a rule that is 243  
rejected to the agency, together with any documents that were 244  
part of the filing. Such a rejection does not preclude the 245  
agency from refileing the rule under division (C) (1) of this 246  
section after complying with division (A) of this section. When 247  
the filing of a rule is rejected under this division, it is as 248  
if the filing had not been made. 249

(D) The joint committee shall publish notice of the 250

agency's determination not to amend or rescind the rule in the 251  
register of Ohio for four consecutive weeks after the rule is 252  
filed under division (C) of this section. 253

(E) During the ninety-day period after a rule is filed 254  
under division (C) of this section, but after the four-week 255  
notice period required by division (D) of this section has 256  
ended, the joint committee may recommend to the senate and house 257  
of representatives the adoption of a concurrent resolution 258  
invalidating the rule if the joint committee finds any of the 259  
following: 260

(1) The agency improperly applied the standards in 261  
division (A) of section 106.03 of the Revised Code in reviewing 262  
the rule and in determining that the rule did not need amendment 263  
or rescission. 264

(2) The rule has an adverse impact on businesses, and the 265  
agency has failed to demonstrate through a business impact 266  
analysis, recommendations from the common sense initiative 267  
office, and a memorandum of response that the regulatory intent 268  
of the rule justifies its adverse impact on businesses. 269

(3) If the rule incorporates a text or other material by 270  
reference, any of the following applies: 271

(a) The citation accompanying the incorporation by 272  
reference is not such as reasonably would enable a reasonable 273  
person to whom the rule applies readily and without charge to 274  
find and inspect the incorporated text or other material; 275

(b) The citation accompanying the incorporation by 276  
reference is not such as reasonably would enable the joint 277  
committee readily and without charge to find and inspect the 278  
incorporated text or other material; or 279

(c) The rule has been exempted in whole or in part from 280  
sections 121.71 to 121.74 of the Revised Code on grounds the 281  
incorporated text or other material has one or more of the 282  
characteristics described in division (B) of section 121.75 of 283  
the Revised Code, but the incorporated text or other material 284  
actually does not have any of those characteristics. 285

(4) The agency has failed to justify the retention of a 286  
rule containing a regulatory restriction. 287

If the agency fails to comply with section 106.03 or 288  
106.031 of the Revised Code, the joint committee shall afford 289  
the agency an opportunity to appear before the joint committee 290  
to show cause why the agency has not complied with either or 291  
both of those sections. If the agency appears before the joint 292  
committee at the time scheduled for the agency to show cause, 293  
and fails to do so, the joint committee, by vote of a majority 294  
of its members present, may recommend the adoption of a 295  
concurrent resolution invalidating the rule for the agency's 296  
failure to show cause. Or if the agency fails to appear before 297  
the joint committee at the time scheduled for the agency to show 298  
cause, the joint committee, by vote of a majority of its members 299  
present, may recommend adoption of a concurrent resolution 300  
invalidating the rule for the agency's default. 301

When the joint committee recommends that a rule be 302  
invalidated, the recommendation does not suspend operation of 303  
the rule, and the rule remains operational pending action by the 304  
senate and house of representatives on the concurrent resolution 305  
embodying the recommendation. If the senate and house of 306  
representatives adopt the concurrent resolution, the rule is 307  
invalid. If, however, the senate and house of representatives do 308  
not adopt the resolution, the rule continues in effect, and 309

shall next be reviewed according to the new review date assigned 310  
to the rule. 311

Sec. 107.57. (A) In the course of evaluating draft rules 312  
and business impact analyses under sections 107.51 to 107.55 of 313  
the Revised Code, or at any other time, the common sense 314  
initiative office may review any rules containing regulatory 315  
restrictions that a state agency is required to include in its 316  
inventory of regulatory restrictions under section 121.95 of the 317  
Revised Code. If the common sense initiative office determines, 318  
based on the criteria described in division (A) of section 319  
106.03 of the Revised Code, that a state agency should eliminate 320  
a regulatory restriction, the common sense initiative office 321  
shall notify the state agency that it is required to eliminate 322  
that regulatory restriction, and the state agency shall 323  
eliminate it. 324

(B) If a state agency objects to the elimination of a 325  
regulatory restriction that the common sense initiative office 326  
has determined should be eliminated under division (A) of this 327  
section, the state agency may appeal that decision to the joint 328  
committee on agency rule review. If the joint committee also 329  
determines, based on the criteria described in division (A) of 330  
section 106.03 of the Revised Code, that the state agency should 331  
eliminate the regulatory restriction, the state agency shall 332  
eliminate it. 333

(C) As used in this section, "state agency" has the same 334  
meaning as in section 121.95 of the Revised Code, except that it 335  
does not include the offices of the attorney general, the 336  
secretary of state, the auditor of state, or the treasurer of 337  
state. 338

Sec. 121.031. The administrative department head of an 339

administrative department created under section 121.02 of the 340  
Revised Code or an administrative department head appointed 341  
under section 121.03 of the Revised Code may direct an otherwise 342  
independent official or state agency that is organized under the 343  
administrative department or administrative department head as 344  
necessary to achieve reductions in regulatory restrictions in 345  
rules in compliance with sections 121.95, 121.951, 121.952, and 346  
121.953 of the Revised Code. 347

**Sec. 121.95.** (A) As used in sections 121.95, 121.951, 348  
121.952, and 121.953 of the Revised Code, "state agency" means 349  
an administrative department created under section 121.02 of the 350  
Revised Code, an administrative department head appointed under 351  
section 121.03 of the Revised Code, and a state agency organized 352  
under an administrative department or administrative department 353  
head. "State agency" also includes the offices of the attorney 354  
general, the secretary of state, the auditor of state, and the 355  
treasurer of state, as well as the department of education, the 356  
state lottery commission, the Ohio casino control commission, 357  
the state racing commission, and the public utilities commission 358  
of Ohio. Rules adopted by an otherwise independent official or 359  
entity organized under a state agency shall be attributed to the 360  
agency under which the official or entity is organized for the 361  
purposes of sections 121.95, 121.951, 121.952, and 121.953 of 362  
the Revised Code. 363

(B) Not later than December 31, 2019, a state agency shall 364  
review its existing rules to identify rules having one or more 365  
regulatory restrictions that require or prohibit an action and 366  
prepare a base inventory of the regulatory restrictions in its 367  
existing rules. Rules that include the words "shall," "must," 368  
"require," "shall not," "may not," and "prohibit" shall be 369  
considered to contain regulatory restrictions. 370

<u>(C) In the base inventory, the state agency shall indicate</u>	371
<u>all of the following concerning each regulatory restriction:</u>	372
<u>(1) A description of the regulatory restriction;</u>	373
<u>(2) The rule number of the rule in which the regulatory</u>	374
<u>restriction appears;</u>	375
<u>(3) The statute under which the regulatory restriction was</u>	376
<u>adopted;</u>	377
<u>(4) Whether state or federal law expressly and</u>	378
<u>specifically requires the agency to adopt the regulatory</u>	379
<u>restriction or the agency adopted the regulatory restriction</u>	380
<u>under the agency's general authority;</u>	381
<u>(5) Whether removing the regulatory restriction would</u>	382
<u>require a change to state or federal law, provided that removing</u>	383
<u>a regulatory restriction adopted under a law granting the agency</u>	384
<u>general authority shall be presumed not to require a change to</u>	385
<u>state or federal law;</u>	386
<u>(6) Any other information the joint committee on agency</u>	387
<u>rule review considers necessary.</u>	388
<u>(D) The state agency shall compute and state the total</u>	389
<u>number of regulatory restrictions indicated in the base</u>	390
<u>inventory, shall post the base inventory on its web site, and</u>	391
<u>shall electronically transmit a copy of the inventory to the</u>	392
<u>joint committee. The joint committee shall review the base</u>	393
<u>inventory, then transmit it electronically to the speaker of the</u>	394
<u>house of representatives and the president of the senate.</u>	395
<u>(E) The following types of rules or regulatory</u>	396
<u>restrictions are not required to be included in a state agency's</u>	397
<u>inventory of regulatory restrictions:</u>	398

<u>(1) An internal management rule;</u>	399
<u>(2) An emergency rule;</u>	400
<u>(3) A rule that state or federal law requires the state agency to adopt verbatim;</u>	401 402
<u>(4) A regulatory restriction contained in materials or documents incorporated by reference into a rule pursuant to sections 121.71 to 121.75 of the Revised Code;</u>	403 404 405
<u>(5) A rule adopted pursuant to section 1347.15 of the Revised Code;</u>	406 407
<u>(6) A rule concerning instant lottery games;</u>	408
<u>(7) Any other rule that is not subject to review under Chapter 106. of the Revised Code.</u>	409 410
<b><u>Sec. 121.951. (A) (1) Using the criteria listed in division (A) of section 106.03 of the Revised Code, a state agency shall amend or rescind rules identified in its base inventory of regulatory restrictions as necessary to reduce the total number of regulatory restrictions by thirty per cent, according to the following schedule:</u></b>	411 412 413 414 415 416
<u>(a) A ten per cent reduction not later than December 31, 2020;</u>	417 418
<u>(b) A twenty per cent reduction not later than December 31, 2021; and</u>	419 420
<u>(c) The thirty per cent reduction not later than December 31, 2022.</u>	421 422
<u>When a state agency has achieved a reduction of any percentage in regulatory restrictions, whether or not as specified in this section, the state agency may not adopt or</u>	423 424 425

maintain regulatory restrictions that would negate the 426  
reduction. 427

(2) If a state agency has not achieved a specified 428  
percentage reduction according to the schedule, the state agency 429  
may not adopt a new regulatory restriction unless it 430  
simultaneously removes two or more other existing regulatory 431  
restrictions, until the specified thirty per cent reduction has 432  
been achieved. The state agency may not fulfill this requirement 433  
by merging two or more existing regulatory restrictions into a 434  
single surviving regulatory restriction. 435

(3) A state agency is encouraged to continue to reduce 436  
regulatory restrictions after it has achieved the specified 437  
thirty per cent reduction. 438

(B)(1) Not later than March 15, 2021, and annually 439  
thereafter, a state agency shall prepare an historical report of 440  
its progress in reducing regulatory restrictions over the 441  
preceding year under divisions (A)(1) and (2) of this section. 442  
The state agency shall explain in the report how it applied the 443  
criteria described in division (A) of section 106.03 of the 444  
Revised Code to its determinations as to which regulatory 445  
restrictions to amend or rescind. The state agency shall include 446  
a revised inventory of regulatory restrictions with the report. 447

(2) In the revised inventory, in addition to the 448  
information required by section 121.95 of the Revised Code, the 449  
state agency shall compute the percentage net reduction in 450  
regulatory restrictions by subtracting the current number of 451  
regulatory restrictions from the number of regulatory 452  
restrictions identified in the base inventory and then dividing 453  
the resulting number by the number of regulatory restrictions in 454  
the base inventory. 455

(3) The state agency shall transmit the report 456  
electronically to the joint committee on agency rule review. The 457  
joint committee shall review the report and shall transmit it 458  
electronically to the speaker of the house of representatives 459  
and the president of the senate. The state agency shall continue 460  
preparing and transmitting annual reports until it has reported 461  
that it has achieved the required reduction in regulatory 462  
restrictions. 463

Sec. 121.952. If a state agency fails to reduce regulatory 464  
restrictions by a required percentage within one hundred twenty 465  
days after a reduction deadline in section 121.951 of the 466  
Revised Code, the joint committee on agency rule review shall 467  
afford the state agency an opportunity to appear before the 468  
joint committee to show cause why the agency's required 469  
reduction in regulatory restrictions should be lessened. If the 470  
joint committee determines that the state agency has shown 471  
cause, the joint committee shall determine a lessened required 472  
reduction in regulatory restrictions for that agency and shall 473  
submit a written report to the speaker of the house of 474  
representatives and the president of the senate, indicating the 475  
lessened required reduction in regulatory restrictions for that 476  
agency and the reason the joint committee determined that 477  
lessened required reduction. 478

Sec. 121.953. Effective January 1, 2023, the number of 479  
regulatory restrictions in this state shall not exceed a number 480  
of regulatory restrictions determined by the joint committee on 481  
agency rule review in accordance with this section. The joint 482  
committee shall determine that number by calculating, for each 483  
agency, the number of regulatory restrictions identified by the 484  
agency in the base inventory prepared under section 121.95 of 485  
the Revised Code, minus the number of regulatory restrictions 486

that represents the percentage reduction the state agency is 487  
required to achieve not later than January 1, 2023, and then 488  
totaling the resulting numbers for all state agencies. A state 489  
agency shall contact the joint committee before submitting a 490  
proposed rule containing a regulatory restriction, and the joint 491  
committee shall determine whether adopting the regulatory 492  
restriction would cause the state to exceed the number of 493  
regulatory restrictions permitted under this section. A state 494  
agency may not adopt a rule if by adopting the rule the state 495  
agency would cause the number of regulatory restrictions to 496  
exceed the state limit as determined by the joint committee. 497

**Section 2.** That existing sections 106.021, 106.03, and 498  
106.031 of the Revised Code are hereby repealed. 499