



A ROADMAP FOR REGULATORY REFORM

Proven Tools, Emerging Trends, and Model Policies to Cut Red Tape and Restore Accountability in State Governments

Across the United States, millions of regulations and restrictions are holding back innovation, entrepreneurship, and prosperity. [Americans for Prosperity](#) believes peeling back or increasing oversight of these regulations is an essential step toward reigniting the American Dream. Thankfully, states can pursue various options to reduce regulatory burdens and provide much-needed accountability and transparency to the regulatory process.

The policies are split into three tiers based on their track record and potential impact on regulatory reform.

Tier 1: High-Impact Reforms

- **REINS Act:** Ten states have adopted laws requiring legislative approval for major regulations, ensuring costly rules receive democratic oversight. Five states have REINS-style processes.
 - **2026 Update:** [Tennessee](#) and [South Carolina](#) both enacted full REINS laws. South Dakota enacted a [partial REINS law](#).
- **Ending Judicial Deference:** Fifteen states enacted legislation and one passed a ballot measure eliminating judicial deference to agency interpretations of law, thereby restoring judicial independence and fairness in regulatory disputes.
 - **2026 Update:** [Kansas](#), [Alabama](#), [Georgia](#), and [South Carolina](#) all enacted laws ending judicial deference to state agencies.
- **Regulatory Sunset Laws:** Six states require periodic review and automatic expiration of regulations, reducing outdated or redundant rules. Texas' program has eliminated 42 agencies and saved over \$1 billion since 1977. Sixteen states have a limited regulatory sunset, typically related to the reauthorization of various boards and commissions.

Tier 2: Emerging Opportunities

- **Transparency for State and Federal Guidance Documents:** Currently, only Oklahoma, Utah, Alaska, and Virginia currently require agencies to publicly disclose certain guidance documents that shape policy. AFP recommends a [model policy](#) requiring state agencies to publish state and federal directives in an indexed, centralized portal online, or on state agency websites.
 - **2026 Update:** Oklahoma became the [first state](#) in the nation to require state and federal guidance transparency by law when it enacted [the Guidance Transparency Act](#).
- **Ongoing Review of State Agency Guidance Documents:** States should conduct ongoing review of state agency guidance documents to prevent the accumulation of outdated or obsolete guidance.
- **Office of Regulatory Management:** States should establish an Office of Regulatory Management (ORM) to centralize oversight of the rulemaking process, improve regulatory quality, and ensure meaningful accountability and transparency.

Tier 3: Targeted Reforms

- **Regulatory Sandboxes**: Eighteen states have experimented with universal or industry-specific sandboxes to foster innovation by temporarily waiving regulatory requirements.
- **Regulatory Budgeting**: Four states have implemented or experimented with caps or offset requirements on regulatory burdens (e.g., requiring the elimination of three regulations for every new one). These systems limit cumulative red tape by requiring cost offsets for new rules.
- **Red Tape Reduction Programs**: Seven states have implemented goal-oriented efforts — often through executive orders — to reduce discretionary rules by a set percentage, usually around 25%.
- **Bureaucrats Pay Attorney’s Fees for Rights Violations**: States should require agencies to pay attorney’s fees when a citizen successfully challenges an agency action, especially in cases where the agency acted outside its legal authority or in bad faith.
- **Explicit Legislative Authorization for Rule Promulgation**: Agencies should not be permitted to issue binding rules based on broad or vague statutory purposes; they must have specific rulemaking authority granted by the legislature.
- **State Regulations Not Exceeding Federal Standards**: States should prohibit state agencies from adopting regulations that are more stringent than federal standards, unless they meet a strict set of conditions.
- **Robust Standing Committee Oversight**: State legislatures should create strong standing committees to oversee, review, and approve agency rulemaking.

This report, updated since its first release in 2025, provides model legislation, success stories, and additional resources to equip reform-minded policymakers. While many tools require executive or legislative action to be effective, sustained use and refinement based on data and experience are critical to long-term success.

Scan the code below to read the full report:



[Kevin Schmidt](mailto:KSchmidt@afphq.org), Director of Investigations (KSchmidt@afphq.org)

[Molly Powell](mailto:MPowell@afphq.org), Senior Policy Analyst (MPowell@afphq.org)

[Graham Owens](mailto:GOwens@afphq.org), Policy Fellow (GOwens@afphq.org)

July 2026