

Texas Regulatory Efficiency Office

Regulatory Reduction Guide For State Agencies

FINAL – April 28, 2026

Regulatory Reduction Guide

Chapter 1. Background and Foundational Information.

- 1.1. Background
- 1.2. Purpose and Scope
- 1.3. Core Values and Guiding Principles
- 1.4. Key Terms and Definitions
- 1.5. Elements of the Regulatory Reduction Review

Chapter 2. Searching for and Identifying Potential Areas for Regulatory Reduction.

- 2.1. Conducting the Search: Core Methodologies
 - 2.1.1. Digital Repository and Keyword Search
 - 2.1.2. Artificial Intelligence (AI) Assistance
- 2.2. Leveraging External Data and Stakeholder Input
 - 2.2.1. External Stakeholder Input Mechanisms
 - 2.2.2. Reviewing Contested Case Outcomes and Administrative Hearings
 - 2.2.3. Systematic Review of Complaints and Enforcement Actions
- 2.3. Other Means of Identification

Chapter 3. Conducting and Documenting the Regulatory Reduction Review Analysis.

- 3.1. Conducting the Analysis.
- 3.2. Documenting the Analysis.
 - 3.2.1. TRIM Overview
 - 3.2.2. TRIM Data Entry Worksheet
 - 3.2.3. TRIM Dashboard Worksheet

Chapter 4. Understanding and Conducting Statutory Authority Review.

- 4.1. The Foundational Requirement: Statutory Authorization
- 4.2. Mandatory Statutory Authority vs. Permissive Statutory
 - 4.2.1. Mandatory Statutory Authority
 - 4.2.2. Permissive Statutory Authority
 - 4.2.3. Mixed Statutory Authority
- 4.3. Other Provisions Affecting Statutory Authority.
- 4.4. Document the Statutory Authority Review.
- 4.5. Examples of Statutory Rulemaking Authority.

Chapter 5. Considering the Risks of Amending or Repealing the Rules.

- 5.1. Step 1: Potential risks to consider.
- 5.2. Step 2: Least burdensome means to protect Texans from risks.

Chapter 6. Identifying Categories of Rules and Strategies for Regulatory Reduction.

- 6.1. Regulatory Reduction Categories.
 - 6.1.1. Duplicative Rules.
 - 6.1.2. Obsolete Rules.
 - 6.1.3. Ineffective Rules
 - 6.1.4. Burdensome Rules
- 6.2. Regulatory Reduction Strategies.
 - 6.2.1. Reduce Training Requirements.
 - 6.2.2. Reduce or Eliminate Fees.
 - 6.2.3. Reduce Reporting and Recordkeeping.
 - 6.2.4. Reduce, Remove, or Consolidate Regulatory Requirements.
 - 6.2.5. Simplify or Clarify Rule Language.
 - 6.2.6. Incorporate by Reference or Cross-Reference.
 - 6.2.7. Narrow the Rule's Applicability.
 - 6.2.8. Create Waivers or Exemptions.
 - 6.2.9. Eliminate Forms or Reduce Form Requirements.
 - 6.2.10. Identify Statutory Opportunities for Regulatory Reduction.

Chapter 7. Recording Recommendations, Proposing Rule Changes, and Conducting Future Reviews.

- 7.1. Recording Recommendations.
- 7.2. Proposing Rule Changes.
- 7.2. Conducting Future Reviews.

Appendices

- Appendix A. Texas Regulatory Impact Matrix (TRIM) Template
- Appendix B. Instructions for Completing the TRIM

Chapter 1. Background and Foundational Information.

1.1 Background.

The Texas Regulatory Efficiency Office (TREO) was established within the Office of the Governor (OOG) under Texas Government Code, Chapter 465, as added by [Senate Bill 14](#), 89th Legislature, Regular Session (2025). TREO is established to identify and expand opportunities for implementing efficiencies in the rule adoption process and regulatory review process. TREO's duties extend to every aspect of "the process by which state agencies adopt rules." (Texas Government Code, Section 465.0052(a)(1)(A) and (B)).

TREO is charged to assist state agencies in identifying: (1) unnecessary and ineffective rules; (2) the effect and cost to this state and regulated persons of the agencies' rules and proposed rules; and (3) opportunities to repeal or amend rules to provide effective protection to the public with the least cost and inconvenience to regulated persons. (Texas Government Code, Section 465.0052(a)(2)).

TREO must also coordinate with state agencies to reduce rules or other regulatory requirements, including by: (1) eliminating unnecessary or ineffective rules and other regulatory requirements; and (2) reducing the inefficiencies resulting from certain specified rules and other regulatory requirements. (Texas Government Code, Section 465.0052(a)(4)).

As part of that effort, TREO is required to prepare and publish a Regulatory Reduction Guide to assist each state agency to reduce rules and other regulatory requirements under Section 465.0052(a)(4) and to document the agency's results. (Texas Government Code, Section 465.0054).

1.2. Purpose and Scope.

TREO has developed this Regulatory Reduction Guide (guide) to assist each state agency in two key areas: (1) regulatory reduction and efficiency; and (2) documentation and reporting.

- **Regulatory Reduction and Efficiency:** A state agency will reduce rules and other regulatory requirements, specifically by:
 - Eliminating rules and other regulatory requirements that are unnecessary or ineffective; and
 - Reducing inefficiencies imposed by existing rules and other regulatory requirements, including by creating waivers or exemptions from rules in certain cases, as well as by safely reducing training hours, the number and content of forms a person must fill out, the amount of fees charged, and the number of activities covered by regulatory materials, as detailed in Texas Government Code, Section 465.0052(a)(4).

- **Documentation and Reporting:** A state agency will document and report the state agency's measurable results and efficiency gains achieved through regulatory reduction efforts.

The guide provides guidance for regulatory reviews and the active reduction of agency rules contained in the Texas Administrative Code.

- For each state agency, the goal is not merely a passive review, but an active, continuous commitment to streamlining the regulatory landscape. Over time, regulations accumulate, creating friction that slows economic growth and increases compliance costs for citizens and businesses.
- This guide provides the framework for uniform, consistent, and proactive regulatory review across all state agencies.
- This guide was developed to assist state agencies in performing regulatory reduction reviews of their rules. This guide does not add to or eliminate the statutory requirements contained in Texas Government Code, Chapters 465, 2001, 2006, or 2007.
- This guide does not and cannot recommend or require a state agency repeal “a rule the purpose of which is to inform members of the public about the rulemaking process or facilitate participation in that process by members of the public.” (Texas Government Code, Section 465.0052(c)).
- Nothing in this guide should be considered legal advice. A state agency should consult its own legal counsel before making determinations or decisions.

1.3. Core Values and Guiding Principles.

The goal for each state agency with rulemaking authority should be to ensure that each of its rules is clear, concise, and consistent. At a high level, these core regulatory values are:

- **Clarity** – Wherever practicable, rules should be written in plain language that readily communicates intent, regulatory requirements, and compliance expectations to the regulated industry.
- **Conciseness** – Rules should avoid superfluous language, redundant provisions, and unnecessary detail.
- **Consistency** – Rules should follow uniform formatting standards, language conventions, and structural organization.

A state agency should uphold these values when adopting new rules or amending or repealing existing rules under Texas Government Code, Chapters 2001, 2006, and 2007, and when reviewing its existing rules under Texas Government Code, Chapter 465.

A state agency should further refine and frame its efforts to achieve the goals of Clarity, Conciseness, and Consistency and improved rulemaking by adopting and applying the following guiding principles:

- **Consistent and Active Review** – A state agency should ensure a rule’s continued effectiveness and necessity as part of the regulatory reduction review. A state agency should actively identify outdated, duplicative, or ineffective rules and repeal or amend such rules.
- **Necessary and Proportional Rules** – A state agency should ensure that its rules are necessary and proportional to the regulatory objective.
 - Rules should express only what is necessary to meet the specific statutory objective or provide clarity. Also, rules should provide the least restrictive form of regulation to meet the statutory objective and that will adequately protect the public.
 - This balancing test should consider the effect of the regulation on each Texans’ health, safety, prosperity, and freedom, including the cost, impact, and inconvenience on this state and regulated persons.
 - Rules that fail to meet this test, or where the regulatory burden outweighs the public benefit, should be considered for repeal or amendment.
- **Plain Language and Understandable Rules** – A state agency should ensure that its rules are written in plain language, wherever practicable, and are understandable.
 - Wherever practicable, rules should be written in plain language to maximize reader comprehension, using brevity, good organization, and standard English conventions. Also, rules should be readily understandable by the general public, including individuals with limited English proficiency, to the extent practicable.
 - Rules that require professional legal interpretation for compliance are deemed excessively complex and should be prioritized for simplification and for rewriting in plain language, where practicable.
- **Public Engagement and Transparency** – A state agency should ensure that its regulatory reduction review process is transparent, predictable, and offers meaningful opportunities for public input regarding burdensome or outdated rules. A state agency must clearly articulate the basis and any available data supporting retention, reduction, or repeal.

1.4. Key Terms and Definitions.

For the purposes of this guide and for state agency interactions with TREO, the following key terms and definitions apply:

- 1) **Administrative Procedure Act (APA):** Texas Government Code, Chapter 2001, which establishes the uniform procedures for state agency rulemaking, contested case adjudication, and judicial review.

- 2) **Clarity:** The core value encouraging rules to be written in plain language that readily communicates the intent, regulatory requirements, and compliance expectations to the regulated public.
- 3) **Conciseness:** The core value requiring rules to be written to eliminate superfluous language, redundant provisions, and unnecessary detail.
- 4) **Consistency:** The core value requiring all rules to follow uniform formatting standards, language conventions, and structural organization.
- 5) **Dashboard:** The worksheet under the Texas Regulatory Impact Matrix (TRIM) that consolidates the TRIM data and tracks agency progress and metrics related to regulatory reduction efforts.
- 6) **Four-year rule review:** The mandatory process established by Texas Government Code, Section 2001.039, requiring state agencies to review all rules at least once every four years to assess whether the reasons for initially adopting each rule continue to exist.
- 7) **Mandatory statutory authority:** Statutory language that requires an agency to adopt rules, typically indicated by terms such as “shall,” “must,” or “required.”
- 8) **Mixed statutory authority:** A rule that was adopted based upon both mandatory and permissive statutory authority.
- 9) **Operational Plan for Regulatory Reduction (Operational Plan):** The formal agency document that establishes the strategy, staffing, timelines, milestones, and communication procedures for implementing the regulatory reduction process outlined in this guide.
- 10) **Permissive statutory authority:** Statutory language that authorizes—but does not require—an agency to adopt rules, typically indicated by terms such as “may,” “is authorized to,” or “as necessary.”
- 11) **Plain language:** Generally, writing that is clear, concise, organized, can be readily understood by individuals with limited English proficiency, and follows standard English conventions, employing active voice, short sentences, and common vocabulary to maximize reader comprehension.
- 12) **Reduction categories:** The specific classifications of rules identified for possible elimination or reduction under this guide.
- 13) **Regulatory reduction:** The elimination of an unnecessary, ineffective, or obsolete rule or regulatory requirement; a reduction in administrative and financial burdens on regulated entities; and the streamlining of regulatory and administrative processes.
- 14) **Regulatory Reduction Guide:** The comprehensive guide published by TREO that establishes the analytical framework, reduction categories and strategies, and

documentation standards that each state agency should use in its regulatory reduction review.

- 15) **Regulatory reduction review:** The process used by a state agency, as detailed in this guide, to review and assess the agency's rules to ensure its rules are effective, necessary, and proportional to its regulatory objectives.
- 16) **Rule:** As set forth in Texas Government Code, Section 2001.003(6), a state agency statement of general applicability that implements, interprets, or prescribes law or policy, or describes the procedure or practice requirements of a state agency.
- 17) **State agency (or agency):** Any state agency, department, board, commission, council, or other governmental unit as defined under Texas Government Code, Section 2001.003(7). "State agency" and "agency" are used interchangeably in this guide.
- 18) **Subject matter expert (SME):** Agency personnel with specialized technical knowledge in areas such as healthcare, environmental science, engineering, financial regulation, or other domains requiring expertise.
- 19) **Texas Regulatory Impact Matrix (TRIM):** The standardized documentation tool (Excel Workbook) used by a state agency to systematically document and track agency regulatory reduction review activities including statutory authority analysis, reduction category identification, reduction strategy selections, and recommendations for each rule under review.
- 20) **Unnecessary burden:** Rules or other regulatory requirements placed on a regulated industry or field whose effects are not outweighed by a public health, safety, welfare, or other benefit or concern.

1.5. Elements of the Regulatory Reduction Review.

This guide instructs a state agency on how to conduct a structured regulatory reduction review that aligns with Texas Government Code, Chapter 465, and the agency's underlying statutory authority. The appendices of this guide contain the tools for documenting this review.

This guide explains the following elements of the regulatory reduction review:

- searching for and identifying potential areas for regulatory reduction.
- conducting and documenting the regulatory reduction review analysis.
- understanding and conducting a statutory authority review.
- considering the risks of amending or repealing the rules.
- identifying categories of rules and strategies for regulatory reduction.
- recording the recommendations, proposing rule changes, and conducting future reviews.

If a state agency uses this process to systematically identify, assess, and prioritize its rules and other regulatory requirements, the agency can ensure its regulatory reduction efforts are data-driven, impactful, and strategically focused on providing maximum relief to Texans in the most efficient sequence.

Chapter 2. Searching for and Identifying Potential Areas for Regulatory Reduction.

The first step in regulatory reduction is the systematic identification of existing rules that are outdated, redundant, unduly burdensome, unnecessary, or ineffective. This chapter provides a detailed methodology for a state agency to conduct a comprehensive search and analysis to pinpoint the most promising areas for reform.

2.1. Conducting the Search: Core Methodologies.

A successful search for regulatory reduction opportunities requires a multi-faceted approach, combining internal analysis with external stakeholder feedback. An agency should consider how it will seek external feedback and maintain the information it receives. To support this work, an agency may want to consider a consolidated means of tracking external feedback concerning rules or areas of regulation received from individual stakeholders, stakeholder groups, and legislative offices.

2.1.1. Digital Repository and Keyword Search.

An agency may create a centralized digital storage location (repository) that will enable the agency to conduct a thorough, text-based analysis of its regulatory requirements and documents.

1) Contents of Digital Repository:

- The repository may include all relevant sections of the administrative code, related guidance documents, internal compliance manuals, and forms. This repository may also include four-year rule review records to ensure that follow-up rule actions, such as amendments or repeals, were completed.
- An agency may consolidate all relevant regulatory documents into the searchable digital repository. This approach will differ depending on the size of the agency and scope of materials searched. For an agency with extensive rules, guidance documents, manuals, forms, and other documents, this may need to be divided into smaller tasks focusing on specific titles, chapters, or areas of regulation.

2) Search Tool Utilization:

Standardized Search Tool: Utilize a dedicated, robust search tool (or an internal agency, Department of Information Resources (DIR) approved e-discovery or document management system) capable of searching across numerous documents simultaneously.

3) Key Word Search Strategy:

Develop a comprehensive list of keywords and phrases specifically designed to flag rules that are likely candidates for reduction. Examples of terms to search for:

- **Obsolete Terminology:** Terms that reference outdated technology and tools, repealed statutes, defunct agencies, or expired dates (e.g., “manual filing,” “hand-delivered,” “paper copy,” “mailed,” “certified mail,” “faxed,” “in-person,” or specific rule numbers of state or federal agencies that are obsolete).
- **Duplication Indicators:** Words that signal overlap or redundancy within the agency's own rules or with other state/federal agencies (e.g., “also comply with,” “in addition to,” “coordinate with,” or references to specific parts of another agency's code).
- **Burden and Cost Language:** Phrases that indicate administrative load on the regulated community (e.g., “mandatory report,” “annual submission,” “require a permit,” “file in advance,” “certified letter,” or “required continuing education”).
- **Ineffective or Ambiguous:** Language that suggests a rule may be vague or difficult to enforce (e.g., “as deemed appropriate” or “to the best of one’s ability”).

4) File Naming Conventions.

- Consistent file naming practices improve search efficiency and support systematic document retrieval during regulatory reduction reviews. All agency files related to regulatory documents, rulemaking records, and supporting materials should follow a standardized naming convention.

For example:

- “AgencyAcronym_YYYY_DocumentType_Description”
- “TXYZ_2025_RuleReview_Chapter100”
- “TXYZ_2026_PolicyIndex_Q1”

- This structure allows staff to quickly identify the agency of origin, the relevant year, the document type, and the subject matter without opening the file. Agencies should apply this naming convention consistently across shared drives, email attachments, and other relevant records on a prospective basis.
- When a document is updated or revised, the file name should reflect the version or date of finalization so that the most current version is immediately identifiable and prior versions are preserved for audit purposes.

For example:

- “TXYZ_2025_RuleInventory_Final”
- “TXYZ_2025_RuleInventory_Draft_v2”

- Uniform naming practices reduce duplicative searches, minimize the risk of relying on outdated documents, and create a more navigable record for staff conducting regulatory reduction reviews.

2.1.2. Artificial Intelligence (AI) Assistance.

If an agency's Information Technology division and DIR have approved specialized AI software for the agency's use, then an agency can significantly accelerate the identification process.

1) AI Use.

- **Duplicate Detection:** An agency may utilize Natural Language Processing, also known as "NLP," models to automatically scan the entire regulatory code and flag instances of identical, near identical, or substantively duplicative language, even across different chapters or titles.
- **Cross-Referencing:** An agency may employ AI to cross-reference agency rules against current federal, state, and relevant industry standards. This method may identify rules that are made obsolete by a preempting or superseding federal requirement, or a recently updated state statute.
- **Clarity and Readability Analysis:** An agency may use AI tools to evaluate the complexity and readability of rules, flagging those with low scores that may benefit from simplification or plain language redrafting.
- **Complaint/Feedback Topic Modeling:** An agency may feed aggregated, anonymized complaint data and public comments into the AI to identify dominant themes and the specific rule citations that generate the most recurring negative feedback.

2) Governance and Security.

- **Security Protocols:** An agency must strictly adhere to all State of Texas security protocols.
- **AI Training and Testing:** Agency staff responsible for the use of AI should receive training in AI best practices to guard against common risks associated with AI use, such as content summarization, misapplication, and hallucination. If formal training is not practicable, staff should be given time to prepare by reviewing publicly available content on best practices for each platform available online. Prompts and other data input strategies should be well-tested on samples to ensure accuracy before broad implementation.
- **Human Review:** It is essential that all AI-generated work product is reviewed for accuracy by human reviewers.

2.2. Leveraging External Data and Stakeholder Input.

Although internal review identifies technical inefficiencies, external input provides additional context of the real-world impact and burdens caused by regulations. A state agency should actively

solicit external input, as it may assist an agency in prioritizing the agency's regulatory reform work. An agency should use this information to identify areas of regulation causing the largest burden to Texans and focus efforts on reducing those burdens.

2.2.1. External Stakeholder Input Mechanisms.

A state agency may use a variety of channels to systematically solicit input on burdensome, outdated, or duplicative regulations, including:

1) Targeted Outreach via Digital Platforms.

- **Email Campaigns:** An agency may use its contact lists (permit holders, licensees, registered entities) and the state's information delivery platform to distribute a targeted survey or request for information. The message should specifically ask stakeholders to cite the exact rule numbers that cause the highest burden, along with a brief explanation of their experience with the rule and the barriers presented (cost, delay, confusion, redundancy).
- **Dedicated Web Portal on Agency Website:** An agency may establish a permanent, easy-to-find link on the agency's homepage titled "Regulatory Reduction Feedback." The form should allow for the capture of the rule citation and a description of the burden imposed by the rule. When soliciting this input, an agency can increase efficiency by limiting free text and using lists of prepopulated rule citations and prepopulated categories of burdens.
- **TREO Regulation Evaluation Portal:** An agency may provide a link on its website to the TREO regulation evaluation portal and submission form. The TREO portal is located at: <https://gov.texas.gov/organization/treo/regulation-evaluation-portal>.
- **Industry Association Coordination:** An agency may partner with key regulated industry associations and professional organizations to disseminate the request for input directly to their members. These groups may have aggregated data on member pain points.

2) Public Meetings and Roundtables.

An agency may hold focused, public "listening sessions" or "virtual roundtables" dedicated to the topic of regulatory burdens imposed by the state agency's regulations. The agency should structure the meetings to encourage participants to focus on specific code sections rather than general grievances. An agency may consider holding virtual meetings focused on each area the state agency regulates to ensure maximum participation across the state.

3) Advisory Board Meetings.

If an agency has advisory boards, it may want to add specific items to those advisory boards' meeting agendas to discuss and identify specific regulatory burdens for professions

or occupations the agency regulates. The agency may also want to add a public comment agenda item to allow for public suggestions on regulatory burdens.

4) Strategic Planning.

An agency may solicit feedback from stakeholders during the agency's strategic planning process. An agency may include specific questions crafted to ensure stakeholders identify specific regulatory burdens. An agency may conduct strategic planning through in-person meetings, virtual meetings, and online submissions.

5) Four-Year Rule Review.

As part of its required four-year rule review under Texas Government Code, Section 2001.039, an agency may want to include additional targeted questions or requests for information as part of its Notice of Intent to Review that is published in the *Texas Register* soliciting public comment.

2.2.2. Reviewing Contested Case Outcomes and Administrative Hearings.

The record of contested cases and administrative hearings is a valuable source of data regarding the application of rules that are routinely challenged.

1) Analysis of Findings.

An agency may focus on the rules that are most often alleged or cited in contested cases and have staff review requests for hearings, proposals for decisions, filed exceptions, final orders, motions for rehearing, and petitions for judicial review for common complaints concerning rules or the application of rules by agency staff.

2) Identify Rules.

- An agency may closely review rules that are repeatedly violated and challenged to determine if the rules are creating compliance challenges for regulated entities.
- An agency may look for appeal requests, pleadings, exceptions, motions for rehearing, and petitions for judicial review where a party has commented that an agency rule is "vague," "ambiguous," "unconstitutional under the Texas Constitution," or "ultra vires" (beyond the agency's statutory authority).

3) Analyze Enforcement Discretion.

- An agency may review cases where an agency's decision was not upheld by an Administrative Law Judge. The agency should determine if refining the rule would benefit regulated entities in addition to agency enforcement efforts.

- An agency should look for overly complex rules or penalty matrices; a recurring pattern of the agency failing to meet its burden of proof; and agency staff citing rule violations in an inconsistent manner. When these flags are spotted, staff should review rule language to determine whether the agency may clarify the rule or the agency's application of the rule.

2.2.3. Systematic Review of Complaints and Enforcement Actions.

Every complaint and enforcement action is a data point regarding a rule's real-world efficacy and burden. An agency should analyze the complaint and enforcement action data that it currently collects. This data will help identify potentially problematic rules.

1) Regulated Entity Complaints.

- **Track Citations:** An agency should systematically review all formal and informal complaints received over a defined period (e.g., the last four years) and track which specific rules are cited or implicated in the complaints.
- **Identify Frequency:** An agency should prioritize for in-depth review any rules associated with a high volume of complaints and particularly those alleging disproportionate cost, unnecessary process, or confusion.

2) Texan/Consumer Complaints.

Focus on Intent vs. Impact: An agency should review complaints from general Texans or consumers. If a rule intended to protect the public generates an excessive number of complaints about the rule itself (e.g., a complicated licensing requirement that limits service availability), it may be a candidate for simplification while maintaining core public protection.

3) Enforcement Investigations.

- **Investigative and Enforcement Data:** The agency should review its investigative and enforcement data. Many violations of a particular rule may be an indication that the rule should be reviewed.
- **Informal Resolutions:** An agency should review settlement agreements or agency decisions that include alternative compliance measures as part of an agency-approved measure for an identified rule violation. If an agency approves an alternative compliance measure in one instance, the agency should evaluate inclusion of that alternative compliance measure into the rule as a more widely available compliance option.
- **Closed Investigations:** The agency should also review investigations that were closed without taking any formal enforcement action. A pattern of closed investigations on a

particular rule that is not accompanied by successful enforcement actions on that same issue may indicate that the rule needs to be reviewed for necessity or enforceability.

2.3. Other Means of Identification.

An agency should also explore less conventional, but highly informative avenues.

1) Review of Guidance Documents and FAQs.

Rules requiring extensive “Frequently Asked Questions” pages or complex guidance documents are often poorly written or are inherently confusing. An agency should simplify the underlying rule to reduce reliance on secondary interpretation.

2) Review Rules for Obsolete Programs or Projects.

An agency should identify rules that are tied to a specific federal or state grant, a specific pilot program, or other specific project, and then determine whether these grants, pilot programs, or projects are still in effect.

3) Staff Feedback.

An agency should conduct internal surveys or working groups with frontline staff (staff who answer the phone and respond to inquiries, as well as inspectors, permit writers, and compliance officers) who regularly interact with the regulated community. These staff members possess invaluable, practical knowledge about rules that are unworkable, overly complex, or redundant. An agency may also include agency policy makers who may have knowledge of duplicative or outdated rules ripe for cleanup.

4) Information from Government Relations/External Affairs Staff.

Government Relations and External Affairs staff members handle constituent service inquiries received by legislative offices and forwarded to the agency. These staff members may be able to provide information about inquiries that include concerns about rules.

Chapter 3. Conducting and Documenting the Regulatory Reduction Review Analysis.

For each rule identified as a candidate for reduction, the agency should conduct a focused analysis to determine whether such a reduction is within the bounds of statutory authority. This chapter provides an overview of the elements and methods of conducting and documenting the regulatory reduction review analysis, including the use of the TRIM template.

3.1. Conducting the Analysis.

The agency should conduct a focused analysis of each rule to determine whether a reduction action may be proposed within the bounds of statutory authority. At a minimum, the agency's analysis for each rule should include the following elements:

- Review and classify the statutory authority and identify any statutory constraints;
- Identify the risks of amending or repealing the rule;
- Identify the specific reduction category or categories that apply;
- Identify the potential reduction strategy or strategies the agency may consider; and
- Determine whether the agency will retain, amend, or repeal the rule, subject to any additional internal approvals and rulemaking steps.

The following chapters in this guide explain each element of the analysis listed above.

3.2. Documenting the Analysis.

3.2.1. TRIM Overview.

The TRIM Template provides the framework for capturing the results of the agency's regulatory reduction review, as described in this guide. (See Appendix A.) Instructions for completing the TRIM are located in each of the following chapters in this guide and in Appendix B.

The agency must use TRIM when it conducts a regulatory reduction review in coordination with TREO. TRIM allows an agency to provide TREO with documentation of its progress, and it allows TREO to capture the data in a standardized format across state agencies. As a best practice, an agency should use TRIM for its own regulatory reduction efforts.

3.2.2. TRIM Data Entry Worksheet.

The TRIM Data Entry Worksheet is the primary tool within the TRIM Workbook. It includes pre-configured formulas and data validation rules. An agency should not modify the structure, column headers, or formula fields in TRIM. The TRIM Data Entry Worksheet fields automatically populate the TRIM Dashboard Worksheet and its metrics. Consistent, accurate data entry is essential to ensure the Dashboard Worksheet provides reliable overview information.

3.2.3. TRIM Dashboard Worksheet.

The TRIM Workbook also includes a Dashboard Worksheet that consolidates the data derived from the TRIM Worksheet. The Dashboard Worksheet provides an overview of an agency's regulatory reductions efforts by reporting the number of rules reviewed; the recommendations resulting from those reviews; the projected word count reduction of the rules; and the estimated cost savings to Texans. The Dashboard Worksheet is a tool for tracking, monitoring, and reporting an agency's regulatory reduction efforts.

Chapter 4. Understanding and Conducting a Statutory Authority Review.

A central challenge in regulatory reduction is distinguishing between rules a state agency *must* adopt and those an agency *may* adopt. This distinction is critical because it dictates whether a rule is a candidate for amendment or repeal. This chapter provides guidance to a state agency on how to review and analyze its statutes and rules to determine the types of statutory authority underpinning its rules.

4.1. The Foundational Requirement: Statutory Authorization.

A state agency does not possess inherent authority to adopt rules. A state agency only has such authority as granted by the Texas Legislature.

The Texas Legislature may give a state agency broad general rulemaking authority or specific rulemaking authority. Under broad general authority, a state agency is authorized to adopt rules necessary to administer and enforce a statute or to carry out the agency's responsibilities. Under specific authority, a state agency is authorized to adopt rules on a specific topic or issue under the agency's jurisdiction.

In addition, the Texas Legislature may either *require* a state agency to adopt rules or *permit* a state agency to adopt rules. This issue is of primary interest for regulatory reduction purposes.

4.2. Mandatory Statutory Authority vs. Permissive Statutory Authority.

To successfully execute a rule reduction review, a state agency must first distinguish between rules that are mandatory under the statute ("must do") and those that are permissive under the statute ("may do").

4.2.1. Mandatory Statutory Authority.

Mandatory rules are the result of an explicit statutory directive.

- **Statutory Language:** The statute directs rulemaking by using words like "shall" or "must," which remove any discretion an agency has as to whether it undertakes a rulemaking.
- **Reducing Mandatory Rules:** When the Texas Legislature directs an agency to adopt rules, the rules cannot be completely repealed without legislative action. However, these rules are still candidates for simplification, modernization, and streamlining to help minimize unnecessary burdens while still complying with statutory directives.

For rules adopted under mandatory statutory authority, the underlying statute instructs the agency that it “shall adopt rules” or otherwise requires the agency to regulate a particular subject. In these cases, the agency should:

- Identify the specific statutory citation that mandates rulemaking;
- Determine whether the statute specifies required content, processes, or outcomes; and
- Describe which portions of the existing rule are necessary to implement the statutory directive and which portions (if any) reflect discretionary policy choices.

4.2.2. Permissive Statutory Authority.

Permissive rules are the result of an agency policy choice and are the focus of the reduction effort.

- **Statutory Language:** The statute uses words like “may,” “is authorized to,” or “as necessary,” which represent that an agency has discretion as to whether it adopts a rule.
- **Reducing Permissive Rules:** The Texas Legislature gave a state agency discretion in how the agency regulates something within its statutory purview. These rules represent discretionary choices by the agency and are therefore candidates for possible amendment or repeal. If a state agency can eliminate or reduce a rule or requirement that is unnecessary or redundant, it should do so.
- **Justification Burden:** For rules adopted under permissive authority, the agency had to clearly explain the need for the rule when it originally adopted the rule. During the regulatory reduction review, if the need or benefit no longer outweighs the regulatory burden, the rule should be repealed or amended to reduce the unnecessary burden.

For rules adopted under permissive statutory authority, the statute authorizes but does not require the agency to adopt rules. In these instances, the agency should treat the existing rule as discretionary. Before proposing repeal or reduction, the agency should:

- Identify the statutory citation that provides permissive authority;
- Confirm that there is no separate statutory requirement that the agency regulate the subject matter through rule;
- Understand the reasons the agency initially adopted the rule; and
- Determine whether the rule is necessary for compliance with any other statute, federal requirement, or interagency agreement.

4.2.3. Mixed Statutory Authority.

Some rules contain provisions that are adopted under mandatory statutory authority and other provisions that are adopted under permissive statutory authority. When reviewing these rules, the agency should evaluate each provision according to its underlying authority type, as described above.

4.3. Other Provisions Affecting Statutory Authority.

In addition to classifying statutory authority as mandatory, permissive, or mixed, a state agency must identify any statutory “floors” or “ceilings” that limit how much a rule can be reduced. Examples include minimum requirements (such as a minimum number of inspection visits) or maximum thresholds (such as a statutory cap on fees).

A state agency must also account for any federal requirements, court orders, and binding agreements that affect the rule. The state agency must document these constraints so that any proposed reduction is clearly within the scope of the agency’s legal authority.

4.4. Document the Statutory Authority Review.

The state agency should document the statutory authority review (explained above) so that any proposal to retain, amend, or repeal a rule is traceable to the underlying statutory framework. The agency should document its review in the “Statutory Authority” field in TRIM, with any additional information included in the “Notes/Justification” field.

4.5. Examples of Statutory Rulemaking Authority.

The Texas Legislature’s wording determines whether an agency is required to adopt and maintain rules or has the discretion to do so, and what level of justification is necessary. Below are a few examples of these concepts. Consult with your agency’s legal counsel about the proper classification of a particular rule.

Statutory Authority

- **Specific statutory rulemaking mandate implemented**
 - **Statute:** “The agency **shall**, by rule, prohibit X.”
 - **Rule:** “X is prohibited.”
 - **Authority Type:** Mandatory. “Shall” indicates the agency is required to prohibit X by rule.
 - **Result/Action:** Not eligible for repeal or reduction. The rule is required and does not include additional discretionary nuance to evaluate.
- **Permissive statutory language**
 - **Statute:** “The agency **may** establish reasonable restrictions on use of X.”
 - **Rule:** “X shall not be used for A, B, or C.”
 - **Authority Type:** Permissive. “May” provides agency discretion to determine if restrictions are needed.
 - **Result/Action:** Eligible for repeal and reduction. Consider whether X should have restrictions and whether each restriction (A, B, C) is reasonable.
- **Broad statutory rulemaking mandate**

- **Statute:** “The agency **shall** adopt rules **reasonably required** in the exercise of its powers and duties.”
 - **Rule:** “In order to X, a person must A, B, and C.”
 - **Authority Type:** Permissive. Despite statutory “shall,” agency has discretion to determine what is “reasonably required.”
 - **Result/Action:** Eligible for repeal and reduction. Evaluate whether the rule is reasonably required and review the rules provisions (A, B, and C) for reduction opportunities.
- **Statutory rulemaking mandate that requires agency discretion to implement**
 - **Statute:** “The agency **must** establish mandatory standards for X activity.”
 - **Rule:** “In order to X, a person must A, B, and C.”
 - **Authority Type:** Mandatory. Agency must establish standards but has discretion over substance.
 - **Result/Action:** Eligible for reduction but not repeal. Review the standards (A, B, and C) for regulatory reduction opportunities.
- **Statutory rulemaking mandate implemented across several rules**
 - **Statute:** “The agency **shall** establish mandatory standards for Y.”
 - **Rule:**
 - Rule 1: “Y must be A.”
 - Rule 2: “Y must be B.”
 - Rule 3: “Y must be C.”
 - **Authority Type:** Permissive, but Mandatory for rule set. Agency is required to establish standards but meets requirement across several rules.
 - **Result/Action:** Each rule eligible for reduction and repeal, but agency cannot repeal the rule set. Consider each rule for repeal or reduction. Consider consolidating the ruleset into a single rule. Ensure ruleset contains standards for Y.
- **Statutory requirement for regulated entities**
 - **Statute:**
 - Statute 1: “The **Agency** may adopt rules regulating the practice of X.”
 - Statute 2: “A **practitioner** of X must A.”
 - **Rule:** “A practitioner of X must A.”
 - **Authority Type:** Permissive. The “must” in the statute applies directly to practitioner; the agency is not required to establish it by rule.”
 - **Result/Action:** Eligible for repeal and reduction. Evaluate whether maintaining the rule serves a purpose or if it is merely duplicative and can be repealed.
- **One statutory rulemaking mandate and a separate statute providing permissive rulemaking authority.**
 - **Statute:**
 - Statute 1: “The Agency **may** adopt continuing education requirements for the practice of X.”
 - Statute 2: “The Agency **shall** require a practitioner of X to be trained in A.”

- **Rule:** “A practitioner of X must be trained in A and take annual classes in B and C.”
- **Authority Type:** Mixed authority. Supported by mandatory (training in A) and permissive (annual classes in B and C) statutes.
- **Result/Action:** Eligible for reduction but not repeal. If any provision of a rule is required by statute the rule cannot be repealed. Review entire rule for reduction. The requirement that “a practitioner of X must be trained in A” cannot be removed.

Chapter 5. Considering the Risks of Amending or Repealing the Rules.

When a rule is identified for potential repeal or reduction, a state agency should consider the potential risks posed to Texans by such a change. This chapter provides a two-step process an agency may use to screen for potential risks. If a risk is identified, the agency must determine whether the rule achieves protection from that risk using the least burdensome means possible.

5.1. Step 1: Potential risks to consider.

Any decision to amend or repeal a rule should be made only after the agency carefully considers any potential risks to Texans that may result from that change.

The list below provides some examples of the potential risks to Texans that should be considered when analyzing a rule for a potential change. It is not intended to be an exhaustive list.

1. **Health and Human Safety:** The elimination of the rule creates a foreseeable, material risk of physical injury, illness, or death to the public.
2. **Critical Infrastructure Protection:** The rule is essential for maintaining physical integrity, operational reliability, or security of critical state or local infrastructure.
3. **State or Federal Obligations:** The rule is explicitly required to comply with a mandated state or federal statutory or regulatory obligation, the non-compliance with which would result in the loss of funding or imposition of sanctions.
4. **Consumer and Financial Protection:** The rule protects against theft, fraud, or financial harm and its repeal or unwise reduction would cause significant economic disadvantage to Texans or their businesses.
5. **Due Process:** The rule is required to ensure due process or procedural protections for persons affected by the rules.
6. **Public Participation:** The rule informs members of the public about the rulemaking process or facilitates participation in the rulemaking process or in other agency processes.

5.2. Step 2: Least burdensome means to protect Texans from risks.

Once the state agency identifies a potential risk to Texans, the agency should determine whether there are alternative and less burdensome ways to achieve the same protection. If the answer is yes, the rule should be amended to be less burdensome. If the answer is no, the agency does not need to amend or repeal the rule.

This risk information can be included in the “Notes/Justification” field in TRIM.

Chapter 6. Identifying Categories of Rules and Strategies for Regulatory Reduction.

A state agency should review its rules and identify regulatory reduction opportunities. This chapter provides a state agency with specific regulatory reduction categories and regulatory reduction strategies. A state agency should use the framework provided in this chapter, which corresponds to entry fields in the TRIM.

6.1. Regulatory Reduction Categories.

First, an agency should identify each rule that provides opportunities for regulatory reduction and categorize each identified rule as duplicative, obsolete, ineffective, or burdensome. Importantly, classifying a rule under one of these categories does not indicate that the rule did not have a reasoned justification when it was adopted or that the rule has improperly remained in effect since adoption. It is merely a classification of the nature of the current regulatory inefficiency to better inform the types of regulatory reduction strategies that the agency should pursue.

An agency should document its analysis in the “Regulatory Reduction Categories” field in TRIM.

6.1.1. Duplicative Rules.

A rule is duplicative when it imposes identical or substantially similar requirements to those that are already established elsewhere in statute, rule, federal law, or recognized national or industry standards, without adding substantive value. The issue is not whether the requirement is burdensome or ineffective in isolation, but whether it is redundant. In many cases, the duplication is primarily textual or structural and can be addressed through consolidation, cross-referencing, incorporation by reference, or repeal.

Examples of duplicative rules include:

- Rules that contain identical or substantially similar text found in other rules.
- Rules that restate obligations already imposed by statute, federal regulation, or recognized national standard without adding additional nuance.
- Employing multiple specific rules when a single, more broadly-applicable rule can achieve the same outcome.
- Required submission of the same information multiple times in the same process or of information the agency already maintains.

In TRIM, these rules are logged under the category of “Duplicative Rules.”

6.1.2. Obsolete Rules.

A rule is obsolete if it no longer has practical relevance or legal foundation due to changes in law, technology, organizational structure, regulatory practice, or funding. In some cases, the underlying

regulatory objective may still be valid, but the rule itself no longer aligns with how the agency or regulated community operates.

Examples of obsolete rules include:

- References to outdated technology or formats (e.g., fax machine requirements, ZIP drive disk formats).
- Rules tied to programs that have been discontinued, permanently defunded, consolidated, or substantially changed.
- References or cross-references to repealed statutes.
- References to organizational terms, titles, or structures that no longer exist.
- Rules that do not reflect the agency's current policies, procedures, or operational practices.
- Rules that do not align with current standards or practices of the regulated profession, occupation, or industry.
- Rules targeting risks that are no longer significant or relevant.
- Rules that were transitional or necessary only at a specific point in time and have since lost relevance.
- Rules requiring submission of forms, data, or information that is no longer necessary or used.
- Rules that are never invoked in enforcement, licensing, inspections, or compliance activities, despite remaining in rule.

In TRIM, these rules are logged under the category of "Obsolete Rules."

6.1.3. Ineffective Rules.

A rule is ineffective when it does not achieve its intended regulatory purpose or fails to produce meaningful or measurable results. This category is fact driven and outcome oriented.

Ineffective rules are not inherently unbalanced or excessive in design. Rather, experience, data, or program outcomes indicate that the rule does not influence behavior, improve compliance, mitigate risk, or advance the policy objective it was meant to address. Ineffective rules often result in checkbox compliance, reporting that is not used for oversight or decision making, or standards that do not deliver expected environmental, safety, consumer protection, or programmatic outcomes.

Examples of ineffective rules include:

- Requiring notices that do not influence behavior, provide meaningful information, or reach the intended audience.
- Requiring the reporting of information that the agency cannot readily analyze or does not use.
- Review processes that do not effectively screen out the targeted activities.
- Programs that do not achieve the purposes for which they were designed.
- Required procedures or technologies that do not result in the intended outcomes.

In TRIM, these rules are logged under the category of "Ineffective Rules."

6.1.4. Burdensome Rules.

A rule is burdensome when the costs of compliance—financial, administrative, operational, or practical—are disproportionate to the benefits the rule provides.

Burdensome rules may impose excessive paperwork, procedural steps, fees, or training requirements. They may also establish rigid compliance methods or cumulative obligations that outweigh the public value achieved. The issue is not merely inconvenience, but a misalignment between regulatory cost and regulatory benefit, considering the nature of the risk, the regulated population, and available alternatives.

This category is intentionally broad and encompasses requirements that are overly prescriptive, resource intensive, or inefficient, as well as rules where experience shows that less costly or more flexible approaches could achieve the same objective. A rule may be burdensome even if it is legally authorized and conceptually sound.

Examples of burdensome rules include:

- Requirements that impose paperwork, documentation, or process steps that are disproportionate to the risk addressed or benefit achieved.
- Reporting or recordkeeping obligations that are more frequent or detailed than necessary for effective oversight.
- Fees or cost obligations that exceed what is needed to administer the program or are not aligned with service levels or risk.
- Training requirements that exceed what is necessary to ensure competency or safety.
- Prescriptive methods or technology requirements that limit reasonable compliance options and increase costs without improving results.
- Approval, permitting, or review processes that add delay and administrative effort without materially improving decision quality or public protection.

In TRIM, these rules are logged under the category of “Burdensome Rules.”

6.2. Regulatory Reduction Strategies.

Once the agency has identified the regulatory reduction category or categories, the agency should document the strategy or strategies that it will use to achieve greater regulatory efficiency. Each rule may require multiple reduction strategies, and the agency should document all identified strategies in TRIM as part of its regulatory reduction process. An agency should not limit itself to the listed strategies below, if additional reduction opportunities exist.

An agency should document its analysis in the “Regulatory Reduction Strategies” field in TRIM.

6.2.1. Reduce Training Requirements.

This strategy focuses on reducing, streamlining, or eliminating training requirements that exceed what is necessary to ensure competency, safety, or program integrity. These training requirements may include requirements involving initial license eligibility, classroom hours, on-the-job training, continuing education, and additional certifications or competency requirements.

Examples of this strategy include:

- Lowering required training hours.
- Allowing virtual, remote, or online trainings instead of in-person trainings.
- Eliminating training mandates that no longer serve a regulatory purpose.
- Allowing competency-based exams or experience-based proficiency demonstrations as alternatives to mandatory training hours.
- Replacing full annual trainings with targeted trainings when rules or procedures change.
- Limiting training requirements to certain roles (e.g., supervisors or operators) or creating role-specific training modules.
- Extending the time between mandatory periodic trainings.
- Aligning credential or educational requirements with other regulatory jurisdictions.
- Accepting equivalent credentials or certifications from other states.

Reducing training requirements directly addresses the requirements of Texas Government Code, Section 465.0052(a)(4)(B)(i), which supports “reducing required training hours while protecting the health and safety of the residents of this state.”

In TRIM, these rules are logged under the strategy of “Reduce Training.”

6.2.2. Reduce or Eliminate Fees.

This strategy addresses fee levels or structures that exceed the amount needed to administer the underlying program. It may involve lowering fees, simplifying fee schedules, eliminating stacked or duplicative fees, or reducing fees for administrative updates that require minimal agency resources.

Examples of this strategy include:

- Eliminating a fee for minor changes (e.g., address change) because the administrative cost is negligible.
- Consolidating a multipart fee structure (application fee + processing fee + technology fee) into a single fee.
- Reducing fees if an updated cost analysis shows lower program administration costs.
- Aligning fees to reflect program administration and oversight costs.
- Restructuring fees to reduce disproportionate impacts on smaller entities.

Reducing or eliminating fees directly addresses the requirements of Texas Government Code, Section 465.0052(a)(4)(B)(iv), which supports “reducing or eliminating fees imposed by the rules.”

In TRIM, these rules are logged under the strategy of “Reduce/Eliminate Fees.”

6.2.3. Reduce Reporting and Recordkeeping Requirements.

This strategy focuses on reducing reporting and recordkeeping requirements imposed on regulated entities when it is possible to do so while maintaining the necessary regulatory oversight. This strategy is important if the agency does not actively use the reported information or does not require immediate access to up-to-date information.

Examples of this strategy include:

- Reducing the number of reports a regulated entity is required to submit to an agency.
- Reducing the amount of information provided in any required reports.
- Shortening record retention periods when the length of the period is not tied to an identified risk.
- Converting reporting requirements to record retention requirements, allowing the agency to request the information when needed.
- Replacing monthly reports with quarterly or annual reports.
- Allowing facilities to update operational plans only when material changes occur and to file an annual acknowledgment of no material changes.
- Consolidating multiple reports into a single report.
- Tailoring the frequency of a reporting requirement to the regulated entity’s compliance history.

In TRIM, these rules are logged under the strategy of “Reduce Reporting/Recordkeeping.”

6.2.4. Reduce, Remove, or Consolidate Regulatory Requirements.

This strategy addresses requirements (other than those already covered by more specific strategies, such as fees, training, and reporting) that are overly burdensome or not essential to achieving the agency’s regulatory purposes. Essentially, it involves fine-tuning the substantive requirements of the rule to achieve increased efficiency and better outcomes.

Examples of this strategy include:

- Reducing the number of items that must be submitted in a license application.
- Reducing the amount of information submitted by business entities.
- Removing unnecessary steps, documents, approvals, or procedural obligations.
- Consolidating overlapping requirements.
- Eliminating conditions that add complexity without improving outcomes.
- Removing notarization requirements, where appropriate.
- Allowing for electronic signatures.

- Consolidating multiple inspections covering similar criteria into a single inspection with shared checklists.
- Eliminating pre-approval requirements for routine operational changes.
- Eliminating burdensome requirements, such as requiring paper copies in addition to or instead of electronic copies or requiring multiple copies of paper documents.
- Replacing prescriptive requirements with performance-based standards that require a regulated entity to achieve a particular outcome, without the agency prescribing the method the regulated entity uses to achieve that outcome.

In TRIM, these rules are logged under the strategy of “Reduce Requirements.”

6.2.5. Simplify or Clarify Rule Language.

This strategy focuses on improving the readability, structure, and clarity of rules to reduce unintentional burdens created by outdated, overly complex, or ambiguous rule language. Importantly, this strategy involves the text of the rule itself, rather than the underlying substantive requirement the rule text communicates. Simplifying language can reduce compliance costs, improve consistency, and support more effective implementation.

Examples of this strategy include:

- Reorganizing long, multi-layered provisions into shorter sections with clearer structure and terminology.
- Updating technical definitions to align with commonly used terms in the industry or field.
- Correcting incorrect cross-references or legacy program names.
- Rewriting complex procedural steps in plain language.
- Aligning language of similar provisions across an agency’s rule set.
- Combining provisions describing similar requirements to minimize interpretive uncertainty.

In TRIM, these rules are logged under the strategy of “Simplify/Clarify Language.”

6.2.6. Incorporate by Reference or Cross-Reference.

This strategy is similar to simplifying and clarifying rule language but focuses on eliminating duplicative or restated requirements that can be replaced with a cross-reference to existing language or by incorporating the language into the rule by reference. An important consideration in utilizing this strategy is whether the referenced standard or language is publicly accessible and available to the regulated entity. Additionally, if incorporating by reference or using a cross-reference reduces clarity or confuses the regulated public, the state agency should not employ this strategy.

Examples of this strategy include:

- Replacing program eligibility criteria by referencing identical statutory text.
- Instead of repeating the text of a statute in an agency's rules, an agency can simply reference or cross-reference that statute.
- Removing duplicate provisions by cross-referencing a standard already established in another rule section.

In TRIM, these rules are logged under the strategy of "Cross Reference."

6.2.7. Narrow the Rule's Applicability.

This strategy addresses narrowing a rule's applicability by redefining the scope of the rule so that it covers only the entities, activities, or circumstances for which regulation is necessary. It involves revising thresholds, definitions, triggers, or coverage criteria so the rule no longer applies to lower risk or unnecessary categories. This approach provides categorical relief and reduces administrative complexity by limiting those to whom the rule applies. This approach would apply in cases where the statute is broad, and where the Texas Legislature has granted broad authority to the agency to determine what activities or persons are to be regulated.

Examples of this strategy include:

- Limiting the persons who must obtain a license from the agency to the extent that an agency has statutory authority to do so.
- Reviewing the definitions of regulated activities to determine whether the defined scope of the activities is too broad and includes activities that do not need to be regulated.
- Reframing requirements to only apply to facilities that exceed a specific size, capacity, or output, where statutorily authorized.
- Tailoring the regulation of activities based on risk to public health and safety.
- Limiting and applying regulations to relevant seasons or geographic regions.

Narrowing a rule's applicability directly addresses the requirements of Texas Government Code, Section 465.0052(a)(4)(B)(v), which supports "reducing the number of activities covered by the rules."

In TRIM, these rules are logged under the strategy of "Narrow Applicability."

6.2.8. Create Waivers or Exemptions.

This strategy maintains the rule's overall framework but provides relief for entities or situations where strict compliance is unnecessary, disproportionate, or impractical. This approach is useful where general applicability is appropriate but certain scenarios warrant flexibility to achieve equitable or risk-based regulation. This strategy must operate within an agency's statutory authority.

Examples of this strategy include:

- Incorporating flexible or alternative methods of demonstrating compliance.
- Allowing small operations below a defined risk threshold to request a waiver from specific requirements.
- Exempting facilities with accredited third-party certification from duplicative inspections.
- Excepting entities using advanced technology that exceeds the rule’s target outcomes from other requirements.
- Providing a discretionary waiver process for circumstances where strict compliance would be impractical.
- Allowing for good-cause exceptions to requirements for entities that can achieve the desired regulatory outcome through alternative means.
- Using a pilot project (if authorized) to test innovative approaches or alternative compliance pathways on a limited scale before committing to broad implementation.

Creating waivers or exemptions directly addresses the requirements of Texas Government Code, Section 465.0052(a)(4)(B)(vi), which supports “creating waivers for or exemptions from the rule under certain circumstances.”

In TRIM, these rules are logged under the strategy of “Create Waivers/Exemptions.”

6.2.9. Eliminate Forms or Reduce Form Requirements.

An agency can also achieve significant reductions in regulatory burdens by scrutinizing its forms to find ways to implement efficiencies. This should include considering the following:

- Eliminating unnecessary forms.
- Reducing the amount of information contained on a particular form.
- Removing duplicate data entry requirements.
- Consolidating multiple related forms into a single submission.
- Pre-populating forms with existing data from agency systems.

Reducing form-related burdens directly addresses the requirements of Texas Government Code, Section 465.0052(a)(4)(B)(ii)-(iii), which include “reducing the number of forms” and “reducing the amount of information required by forms” that a regulated person or business is required to complete.

In TRIM, these efforts are logged under one of the following two strategies: “Eliminate Forms” or “Reduce Form Requirements.”

6.2.10. Identify Statutory Opportunities for Regulatory Reduction.

If an agency identifies an opportunity for regulatory reduction that is not possible due to the current statutory requirements, it should identify the statutory section and describe the statutory change that would be necessary.

In TRIM, these efforts are logged under the strategy of “Statutory Opportunities” and the details are included in the “Notes/Justification” field.

Chapter 7. Recording Recommendations, Proposing Rule Changes, and Conducting Future Reviews.

The final step of the regulatory reduction review is for the agency to record a recommendation for each rule. This chapter explains how a state agency should document its recommendations in TRIM. It also addresses future agency actions, including proposing rule changes to implement the recommendations and using the regulatory reduction review information in future reviews.

7.1. Recording Recommendations.

For each rule that was identified for potential regulatory reduction, an agency should record the final recommended agency action: amend, repeal, further review, or statutory opportunity. This recommendation should be documented in the “Recommended Agency Action” field in TRIM.

- If the agency recommends that a rule be retained:
 - No further documentation is needed, but an agency may add relevant information in the “Notes/Justification” field in TRIM.
- If the agency recommends that a rule be amended or repealed:
 - The agency should document two key dates of any subsequent rulemakings in TRIM:
 - the proposed rules publication date in the *Texas Register*; and
 - the effective date of the adopted rules.
 - These two date fields in TRIM will remain open until these rulemakings are complete.
 - Other dates in the rulemaking process do not need to be recorded in TRIM.
- If the agency recommends further review of a rule:
 - The agency may note any necessary follow-up actions in the “Notes/Justification” field in TRIM.

7.2. Proposing Rule Changes.

The recorded recommendation for each rule does not replace the formal rulemaking process; rather, the recommendation documents the agency’s internal evaluation and prepares the rule for subsequent procedural steps. An agency must use the standard rulemaking process to amend or repeal rules, and it may use any additional processes it determines are necessary (informal rulemakings, advisory board consultations, stakeholder meetings, etc.).

An agency may propose the rule changes resulting from the regulatory reduction review as a stand-alone rules package, or the agency may combine those rule changes with other rule changes, including rule changes resulting from legislation, required four-year rule reviews, advisory board recommendations, or rulemaking petitions. An agency should note the source of any proposed rule changes in the preamble of its proposed rules notice.

7.3. Conducting Future Reviews.

Rules that are reviewed during the regulatory reduction review, as prescribed by this guide, will be reviewed again in the future. TREO will conduct initial and ongoing regulatory reduction reviews with each agency. In addition, a state agency will review each rule as part of the ongoing, required four-year rule review under Texas Government Code, Section 2001.039. The agency is encouraged to use the principles in this guide during its four-year rule reviews.

Even when a rule is not immediately amended or repealed, the reduction review documentation provides a baseline for future regulatory reviews, allowing the agency to track prior analyses, monitor program changes, and revisit potential reduction opportunities over time.

By following the instructions provided in this guide and consistently documenting its regulatory reduction review activities in TRIM, an agency will create a record of its efforts over time to align its rule sets with the reduction categories and reduction strategies set out in this guide while respecting statutory limits on the agency's authority.