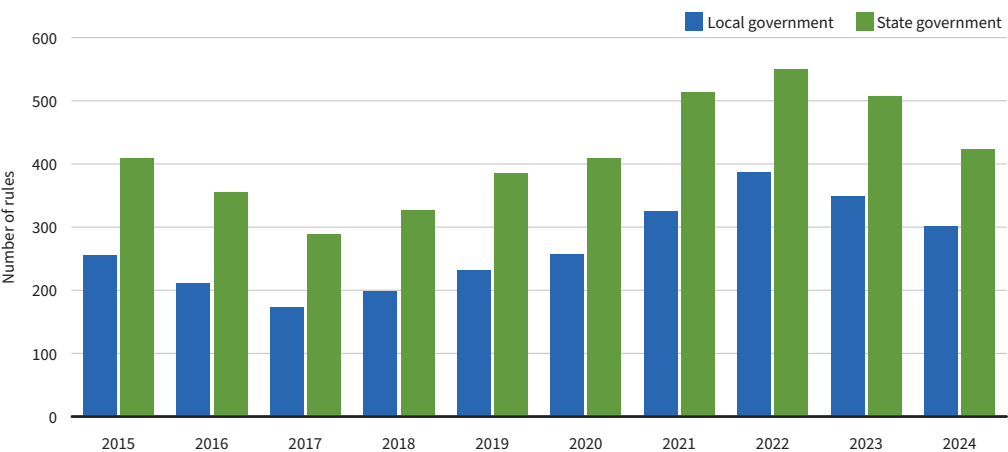# Federal rules affecting state and local governments

State and local officials' concerns over federal mandates' overriding their own priorities resulted in the Unfunded Mandates Reform Act (UMRA) of 1995. It requires Congressional Budget Office cost estimates for mandates affecting state, local, and tribal governments above the then-threshold of $50 million. (The threshold stands at $100 million today.) While the federal government continues to impose mandates on state and local governments, after UMRA these are now usually funded.[113]

As Figure 24 shows, agencies report that 31 of the 3,331 rules in the fall 2023 Unified Agenda pipeline affect local governments and 424 affect state governments.[114] Although a decline from Biden's earlier years, Figure 24 shows that rules affecting state and local governments are higher than five and 10 years ago.

Of the 2,233 active rules in the fall 2024 Unified Agenda, only 6 of them (4 from the Department of Health and Human Services and 2 from the Environmental Protection Agency) are acknowledged to inflict unfunded mandates on state, local, or tribal governments. Of long-terms actions, two Food and Drug Administration rules related to tobacco flavoring are noted to contain unfunded mandates.

Figure 24. Rules affecting state and local governments

Source: Compiled by the author from "The Regulatory Plan and Unified Agenda of Federal Regulatory and Deregulatory Actions," *Federal Register*, various years' editions, and from online edition at http://www.reginfo.gov.

So long as money flows unimpeded from Washington, lower-level governments may remain content. However, Section 3(f)(1) (S3F1) rules affect state and local governments, too, and federal rulemaking will overrule local decision-making as such strictures have done before, funded or not. Eleven S3F1 rules affecting state and local governments have been completed since the spring Unified Agenda; across all lower-level governments, 31 S3F1 rules are in the active phase, with 13 planned for the longer term.