

Insights

Governor Braun's Executive Order Prompts IDEM to Potentially Roll Back Environmental Regulations

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On March 12, 2025, Governor Mike Braun issued Executive Order 25038 (the "Executive Order"), directing Indiana agencies not to promulgate or retain environmental rules or programs that exceed federal Clean Air, Clean Water, or Safe Drinking Water Act standards, unless a stricter requirement is mandated by statute or expressly approved by the Governor. The Executive Order also instructed the Indiana Department of Environmental Management ("IDEM") to identify any state rules, regulations, or nonrule policy documents it considers "unduly burdensome" and to deliver its list by July 1, 2025.

IDEM met that deadline, submitting a Regulatory Review Report that recommends revising or repealing ten items:

- **Underground storage tank notifications** – drop the require resubmission of state forms for minor tank or facility changes.
- **Fire training open burning** – remove IDEM's prior approval step for firefighter training burns.
- **Wastewater compliance schedules** – give all National Pollution Discharge Elimination ("NPDES") dischargers up to five years (instead of three) to meet new permit limitations.
- **Feedstock digesters** – reduce burdens on feedstock only digestion to align with lower requirements on biomass digestion.
- **Air permit malfunction plans** – revise or eliminate requirement that sources file emissions reduction plans after equipment malfunctions.
- **Pollution control tax deduction** – end IDEM review of tax deduction applications for hydroelectric and geothermal systems; let local officials determine eligibility.
- **Electronic waste fund use** – allow E-cycle fees to support collection activities and outreach, not only program administration.

- **Solid and hazardous waste permits** – extend permit terms to ten years, reducing renewal burdens.
- **Thermal effluent limits** – streamline Clean Water Act § 316(a) approvals for alternative limit for heated discharges.
- **Codified enforcement policies** – rescind two penalty policies now fully codified in the Indiana Administrative Code and provide for the incorporation, amendment, or recession of other policies.

IDEM now has until October 31, 2025 to review every Indiana rule and regulation that is stricter than its corresponding federal requirement and until December 31, 2025 to advise the Governor and Legislative Council on whether any heightened standard remains necessary to protect human health and the environment.

Potential Impacts on Regulated Industries and Developers

1. Permitting Efficiencies. Longer permit terms and reduced paperwork requirements can lower costs, reduce compliance burdens, and eliminate paperwork violations for sites with tanks, waste facilities, or wastewater discharges.
2. Regulator Responsiveness. By focusing IDEM on its core competencies and reducing paperwork, the proposed changes should facilitate quicker response times when review is necessary.
3. Clearer Compliance Standards. Because the Executive Order advances Indiana's decades-long effort to cap state environmental requirements at the federal minimum, multistate companies and developers should find it easier to expand into and operate in Indiana.

IDEM's Regulatory Review Report only presents its recommendations. Implementing certain changes will require consultation with the Environmental Rules Board, rulemaking, statutory revision, or federal approval before they can take effect. Our Real Estate & Environmental Practice Group is monitoring these developments. For help navigating Indiana environmental regulations and permitting, please contact Todd G. Relue or Caleb A. Perez.

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