



May 5, 2020

Representative Scott Wiggam  
Chair, Ohio House State & Local Government Committee  
77 South High Street, 13<sup>th</sup> Floor  
Columbus, OH 43215

Dear Chairman Wiggam:

I am writing on behalf of our 21,000 governing members to lend our support for Senate Bill 1 as passed by the Ohio Senate. I would be remiss if I did not thank Senators McColley and Roegner for reintroducing this bill to continue the discussion on the regulatory climate in Ohio.

By way of background, a typical NFIB member in Ohio employs 20 or fewer and does less than \$2 million in annual receipts. Our members come from all industry types and each of the 88 counties. We like to say if there is a type of business in operation, we count at least one as a member.

In addition to our policy advocacy mission, we also have the NFIB Research Foundation which does frequent surveying of our members on a broad range of business topics and issues. Every four years, they publish *Problems & Priorities*. This survey publication poses a list of 75 business issues our members may encounter in their day-to-day operations and asks them to rank from most to least problematic. NFIB members in Ohio ranked “unreasonable government regulations” as the second biggest problem to their success. Additionally, our members ranked “uncertainty over government actions” and “state/local paperwork” as number six and seven on the list.<sup>1</sup>

Senate Bill 1 aims to streamline Ohio’s regulatory scheme. Our members are very interested in seeing unnecessary regulations jettisoned and perhaps modifying or easing of other existing regulations. For small business owners, the cost of compliance is twenty percent greater than larger companies.<sup>2</sup> Any action taken to help reduce this cost of doing business results in resources that will be put toward company growth and expansion.

Several provisions of Senate Bill 1 were included in House Bill 166, the state’s operating budget, including requiring all state agencies to review their existing rules and create a baseline inventory of all rules that have regulatory restrictions. Additionally, there is a requirement for certain state agencies to review their internal processes to ascertain if there are principles of law or policies that should be proposed as formal rules. The budget also required certain agencies to remove two regulatory restrictive rules for every new one they add. We are supportive of this exercise and believe there is

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<sup>1</sup> <https://www.nfib.com/assets/NFIB-Problems-and-Priorities-2016.pdf>

<sup>2</sup> <https://www.uschamberfoundation.org/smallbizregs/>

ample opportunity for state agencies to appear before the Joint Committee on Agency Rule Review (JCARR) and explain why the regulatory restrictive rules reduction threshold cannot be met.

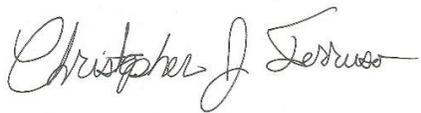
Coinciding with this process is an additional consideration to be given to the evaluation of rules coming up for statutorily required review to determine “whether a rule that contains one or more regulatory restrictions should be amended or rescinded to reduce regulatory restrictions.” We believe this new prong will help achieve the goal of a streamlined regulatory environment.

Finally, we support the transparency components contained in the bill. Allowing increased opportunities for the regulated community to request information on regulatory restrictions and provide feedback will ensure increased input from those who will be regulated under proposed rules.

We recognize the need to have in place rules and regulations that provide for the health, safety, and welfare of all Ohioans. We all want clean air and water as well as safe workplaces and appropriate consumer protections. However, there is a necessary balance to ensure our small businesses are not faced with undue regulatory burdens. We believe Senate Bill 1 fosters a positive evaluation of Ohio’s regulatory climate and hopefully reduces obstacles to our members’ operations.

Thank you for the opportunity to provide written comments on Senate Bill 1. Senate Bill 1, as passed by the Ohio Senate, was a Key Vote for NFIB.

Sincerely,

A handwritten signature in black ink that reads "Christopher J. Ferruso". The signature is written in a cursive, flowing style.

Christopher J. Ferruso  
Ohio Legislative Director