



Senate Transportation, Commerce, and Workforce Committee  
Proponent Testimony on SB 293

Wednesday, May 23, 2018

Chair LaRose, Vice Chair Kunze, Ranking Member Schiavoni, and members of the Senate Transportation, Commerce and Workforce Committee, thank you for the opportunity to provide testimony this afternoon regarding **Senate Bill 293**. My name is Ezra Escudero and I am the Deputy State Director for the state chapter of Americans for Prosperity here in Ohio.

On behalf of our tens of thousands of activists across the Buckeye State, I urge the committee to support **Senate Bill 293**, which would create opportunity for everyone in Ohio by reducing the burden of widespread, unnecessary, and heavy-handed regulation.

The extent of over-regulation in the United States is much greater than most Americans realize. In fact, so many new regulations are added to the books every year, that there are few reliable ways to measure how many regulatory rules and restrictions are added, much less how many exist in total.

In [one estimate from the Mercatus Center at George Mason University](#), which attempts to count the number of regulatory restrictions in just the Code of Federal Regulations by scanning for words like “shall,” “must,” and “may not,” the number of such restrictions is now in the millions. Including the growth of state-level regulations in this number would push the total even higher.

The consequences of such overregulation are measurable, and in many cases predictable. First of all, these regulations come with significant costs. According to [another study from the Mercatus Center](#), the growth of regulatory restrictions has reduced U.S. economic growth by as much as 0.8 percent annually from 1977 to 2012.

This suggests that in 2012, the American economy was \$4 trillion smaller than it would have been if the growth of regulation had been held constant, amounting to a loss of approximately \$13,000 per capita.

Second, when government regulators promulgate excessive rules and restrictions, small businesses struggle to compete. Large businesses, on the other hand, are more able to cope. Their larger legal and accounting departments make it possible for larger and more entrenched

companies to cope with the increase in regulation in a way that their smaller competitors cannot, ultimately tilting the market in their favor.

For example, according to [an American Action Forum report](#) on the impact of regulations on large and small businesses in the United States, with a 10 percent increase in cumulative regulatory costs there is a 5 to 6 percent fall in the number of businesses with fewer than 20 workers.

At the same time, those regulations are associated with a 2 to 3 percent increase in businesses with 500 or more workers, indicating a significant disparate impact for small businesses.

**Senate Bill 293** takes a comprehensive approach to reducing regulations, requiring Ohio regulatory agencies to reduce the number of regulations by 30 percent by the year 2022, targeting the same set of regulatory key words such as “shall,” “must,” and “may not” used in the studies above.

This comprehensive approach is appropriate for a comprehensive problem, and aims to reduce regulations across the board. Americans for Prosperity supports **Senate Bill 293**, and urges its swift passage out of committee.

Sincerely,

Ezra C. Escudero  
Deputy State Director  
Americans for Prosperity – Ohio