



## SENATE BILL 1 – REGULATORY REFORM

### PROPONENT TESTIMONY

#### OHIO SENATE GOVERNMENT OVERSIGHT AND REFORM COMMITTEE

FEBRUARY 26, 2019

Chairman Coley, Vice-Chair Huffman, Ranking-Member Craig, and members of the Ohio Senate Government Oversight and Reform Committee, my name is Chris Ferruso, and I am the Legislative Director for NFIB in Ohio. I am here on behalf of our nearly 22,000 governing members to lend our support for Senate Bill 1. I would be remiss if I did not thank Senators McColley and Roegner for reintroducing this bill to foster a 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. It requires all state agencies to review their existing rules and create a baseline inventory of all rules that have regulatory restrictions. This list is to be shared with the Joint Committee on Agency Rule Review (JCARR) as well published on their agency website. Included in this inventory will be several crucial components including the statute under which the rule was adopted, and whether removing the restriction would require a statutory change.

After the baseline inventory, state agencies will be tasked with reducing regulations. While at this time it is not feasible to know just how many regulations can be eliminated, this process is certainly welcome. Our members are very interested in seeing unnecessary regulations jettisoned and perhaps modifying or easing existing regulations. For small business owners, the cost of compliance is twenty percent greater

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

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. I would also note Senate Bill 1 provides a mechanism to allow state agencies to appear before 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.

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 will foster a positive evaluation of Ohio’s regulatory scheme and hopefully reduce obstacles to our members’ operations.

Thank you Mr. Chairman, I would be happy to try and address any questions the committee may have.

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