



## **Testimony to the Ohio Senate Government Oversight & Reform Committee, February 3<sup>rd</sup>, 2021.**

Chair Roegner, Vice Chair McColley, Ranking Member Craig, Members of the Committee, thank you for holding this hearing and for the opportunity to provide testimony in strong support of SB 9.

My name is Jeff Dillon, and I am the Ohio Legislative Director for Americans for Prosperity. AFP is the nation's largest free market advocacy group, with dedicated activists in communities throughout Ohio. Through broad-based grassroots outreach, AFP is driving long-term solutions to the country's biggest problems. AFP activists engage friends and neighbors on key issues and encourage them to take an active role in building a culture of mutual benefit, where people succeed by helping one another. We empower people to improve their lives and the lives of those around them by removing barriers that prevent them from reaching their potential.

SB 9 builds upon the 2019 budget agreement, which [included key provisions to adopt a so-called regulatory budget and reduce the accumulation of red tape](#), and [Lieutenant Governor Husted's effort to utilize artificial intelligence tools](#) to assist in regulatory relief. In establishing an aggressive 30 percent regulatory reduction goal and, as a backstop, adding greater teeth to the one-in, two-out regulatory budget, this bill can jumpstart critical relief for the state.

The accumulation of red tape— the actual requirements, prohibitions and restrictions created through administrative action — makes it harder, even impossible in many cases, for people to realize their full potential. Overly burdensome rules and regulatory accumulation disproportionately impact the least fortunate, slow wage growth, and ultimately prevent workers and businesses from contributing meaningfully to their communities. COVID-19 has demonstrated that far too much of our state and federal red tape is outdated, burdensome, and unnecessary.

Ohio needs to rapidly implement the red tape reduction program outlined in SB 9. In 2020, the Mercatus Center at George Mason University [released Version 2.0 of its State RegData project](#), which examines the cumulative volume of regulations found in the administrative codes of 44 states and the District of Columbia. Ohio's administrative code contains nearly 275,000 regulatory restrictions, far more than Michigan, Indiana, Kentucky, or West Virginia. This represents twice the volume of red tape compared to the average state.

Additional research from the Mercatus Center also [shows that cumulative state and federal regulation](#) has a regressive impact on Ohio, increasing consumer prices and poverty, while decreasing entrepreneurship. According to Area Development Magazine's [2020 rankings of the top states for doing business](#), Ohio ranks outside of the top 10 states in terms of favorable regulatory environment and speed of project permitting (behind states like Indiana and Virginia).

SB 9 incorporates a number of important changes to the red tape reduction effort enacted in 2019, including:

- Incorporates aggressive but achievable targets for red tape reduction, culminating in a thirty percent reduction in regulatory restrictions by June 2025;
- Strengthens the requirement for one-in, two-out requirement for agencies that do not achieve that 30 percent reduction by 2025;
- Improves the criteria for prioritizing regulatory restriction reductions, including more specific provisions on what constitutes compliance burdens, adverse impacts, and duplication;
- Clarifies the roles and responsibilities for agencies that object to a recommendation;
- Makes clear that a recommendation to invalidate a rule can be prompted by a failure to justify a regulatory restriction by a state agency;
- Establishes the role of the Joint Committee on Agency Rule Review in working with agencies to develop and revise inventories of the number of regulatory restrictions; and
- Minimizes exemptions while clearly outlining appeals process for particular regulations.

Passage of SB 9 would remove unnecessary barriers and unleash Ohio's potential and make it a leader in the region for prosperity and opportunity, while allowing agencies to continue to promulgate and enforce effective regulations. Americans for Prosperity is strongly supportive of SB 9 and the reduction of red tape across the board.

Thank you for this opportunity to testify, and I am happy to answer any questions at this time.

Sincerely,

Jeff Dillon  
Ohio Legislative Director