



Ohio Small Business Council

BEFORE THE SENATE GOVERNMENT OVERSIGHT AND REFORM COMMITTEE

PROPONENT TESTIMONY ON SB 221

WEDNESDAY, NOVEMBER 29, 2017

Chair Coley, Vice-Chair Uecker, Ranking Member Schiavoni and members of the Senate Government Oversight and Reform committee, thank you for providing me with the opportunity to testify in support of Senate Bill 221. My name is Brandon Ogden, and I am the Director of the Ohio Small Business Council (OSBC) for the Ohio Chamber of Commerce. OSBC supports the proposed legislation and would like to thank Senator Uecker for sponsoring the bill. We believe that Senate Bill 221 is a vital next step in rule and regulatory reform. In our view, this legislation compliments and builds upon Senate Bill 2 from the 129th General Assembly as well as Senate Bill 3 from the 130th General Assembly.

The regulatory environment is extremely important to all Ohio businesses, especially small businesses. This is simply due to the fact that small businesses are often negatively impacted by rules more so than larger employers. Small businesses do not have the resources in which to interpret and implement the required changes that are often associated with the creation of agency rules. Businesses can visit sites such as RuleWatchOhio.gov to track rules as they go through the rulemaking process. Businesses can even sign up for e-mail alerts related to any subject area they choose. These tools are valuable for small and large businesses; however, especially in the case of small businesses, the owners are busy operating their businesses day-in-and-day-out and have little time in which to advocate for protection from harmful rules or regulations.

I want to briefly remind the committee of how we got to where we are today. Shortly after taking office, Gov. Kasich created by executive order the Common Sense Initiative Office (CSIO). This move was strongly supported by the Ohio Chamber and OSBC, as was Senate Bill 2, which put this new CSIO concept into statute. There is no question that CSIO is doing an effective job of reviewing proposed rules, scrutinizing their impact on businesses operating in Ohio, and encouraging easier compliance and even-handed enforcement.

A key provision established within Senate Bill 2 that greatly enhances CSIO's ability to do its job is the Business Impact Analysis (BIA). The BIA provision within Senate Bill 2 charged CSIO with establishing a series of standards to be used to identify, reduce or eliminate adverse impacts on business.

Then, in 2013, the General Assembly enacted Senate Bill 3, sponsored by Senator Frank LaRose. Senate Bill 3 expanded the scope of CSIO as it pertains to "no change rules" that were already on the books. Under this legislation, for the first time ever, no change rules were now to be subject

to the business impact analysis or review process. Until that point in time, existing rules could have been negatively impacting businesses and there was little that the business, agency, CSIO or JCARR could have done to prevent it from continuing.

I want to briefly highlight the key provisions of SB 221 in which the Ohio Chamber and the Ohio Small Business Council is supportive:

- Requirement that state agencies review and identify all internal policy documents, memos, information releases or any other publication that may currently be administered as a rule. This provision will ultimately prevent agencies from circumventing the rulemaking process and will no longer allow them to enforce or administer certain policies as if they were rules.
- Requirement that any external document or manual referenced within a rule must be available to the requestor at no cost. The agency must post the referenced document online or provide a hard copy to stakeholders.
- Expanding the definition of an adverse impact on business to include any rule that is likely to reduce revenue or increase expenses. This broader definition will give businesses more assurance that a thorough review of proposed rules is conducted.
- Allowing a stakeholder to request that a rule be reviewed prior to its normal five-year review if they can maintain that they have experienced unintended or unforeseen adverse impacts to their business. The speed of business is faster than that of government, thus, five years is a long time to wait when a business is suffering adverse impacts.
- If a new rule includes a fee it must be reasonably related to the cost incurred by the agency. This will prevent agencies from profiting from fees and then redirecting the monies elsewhere.

Finally, as I mentioned in the opening of my testimony, the Ohio Chamber of Commerce and the Ohio Small Business Council view Senate Bill 221 as building upon the steps established in Senate Bill 2 of the 129th General Assembly and Senate Bill 3 in the 130th General Assembly thereby providing another valuable layer to previous regulatory reform legislation that helps Ohio businesses.

Mr. Chairman, I thank you again for the opportunity to testify in support of Senate Bill 221 and welcome any questions that you or members of the committee may have at this time.