



## SUPPORT EFFORTS TO IMPROVE CLARITY AND TRANSPARENCY IN OREGON'S REGULATORY ENVIRONMENT

Oregon's employers face an increasingly complex regulatory environment. As they spend more time complying with an expanding array of rules, they have less to devote to the operation and expansion of their businesses. In describing this problem, the 2022 Semiconductor Competitiveness Task Force report highlights the significant deterioration of a once cooperative relationship between state regulators and regulated entities. That report even worries that rule interpretations are sometimes subject to the whims of staff, rather than clearly defined policy. Though that report focuses on one regulated sector, the challenges it identifies affect businesses in all sectors. The absence of clear regulatory requirements, predictable timelines and outcomes, and a constructive working relationship between agencies and employers has a chilling effect on business investments in Oregon.

Legislators can put a few simple requirements into place that would go a long way toward providing clarity and transparency in the regulatory environment. These proposals do not change underlying policy. They are good government solutions to ensuring that such underlying policy is appropriately and effectively implemented.

### Support these good government bills.

#### **ELIMINATE MOVING TARGET PERMITTING – SB 38**

Agencies must provide clear regulations, guidelines and internal management directives relevant to each permit type and should be barred from requiring permit applicants to comply with requirements that were neither in effect nor provided to the applicant at the time a complete application is submitted.

#### **ENSURE RULES ARE BASED ON NECESSITY AND ESTABLISHED AUTHORITIES – SB 40**

Adding an “arbitrary and capricious” standard to the Administrative Procedures Act would ensure that rules are both necessary and in line with legislatively granted authorities. To establish the need for new rules, rulemaking should require a statement of need supported by technical and legal documentation. This statement should be subject to public notice, public comment and legal challenge.

#### **ENHANCE FISCAL AND ECONOMIC IMPACT REQUIREMENTS – SB 42**

Rulemaking requires a small business impact statement, which is a good first step. However, many rules have a significant economic effect, whether that be through job loss or creation or through compliance costs passed on to consumers. Further, proposed rules may carry significant ongoing costs of administration that lawmakers will be asked to fund through appropriations or fee increases. Regulated entities, consumers, taxpayers and legislators should have a clear and complete picture of the overall fiscal and economic impact of proposed rules.

#### **ENSURE RULEMAKING CONSISTENCY AND TRANSPARENCY – SB 43**

Agencies conducting rulemaking should adhere to consistent standards for engaging with the public and regulated entities. Information provided should be clear and complete. Processes should be transparent and easy to navigate, including initial concept, development and adoption.

#### **CREATE A BUSINESS OMBUDS OFFICE – SB 44**

There should be a centralized resource to help businesses navigate bureaucracy and access the resources and information that will help them succeed. Many Oregon businesses struggle in good faith to understand or meet the state's complicated regulatory requirements. The office, with a direct line up to the governor's office, would not only help businesses, but would provide relevant information to agency leaders, legislators, and the governor's senior staff about key issues, opportunities and challenges, best practices and recommendations for improvement.