



March 19, 2025

**TO:** Members of the Senate Committee on Rules

**FR:** Paloma Sparks, Oregon Business & Industry

**RE:** SB 483 – LPRO Rulemaking Oversight Study

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Chair Jama, Vice Chair Bonham, members of the committee. For the record, I am Paloma Sparks, Executive Vice President & General Counsel for Oregon Business & Industry (OBI).

OBI is a statewide association representing businesses from a wide variety of industries and from each of Oregon's 36 counties. In addition to being the statewide chamber of commerce, OBI is the state affiliate for the National Association of Manufacturers and the National Retail Federation. Our 1,600 member companies, over 75% of which are small businesses, employ more than 250,000 Oregonians. Oregon's private sector businesses help drive a healthy, prosperous economy for the benefit of everyone.

Thank you for the opportunity to testify in support of SB 483. Oregon's rulemaking systems have simply gotten far too prolific and complex to remain as it is. Oversight and transparency are desperately needed.

Businesses routinely point to the unpredictability and frequency of regulatory changes as the leading barrier to wanting to grow and invest in Oregon. SB 483 is one of several improvements that could change Oregon's trajectory for the better.

In 2023, OBI and OSCC conducted a survey of small businesses survey, which further told us that small businesses feel the pinch of the regulatory environment. The survey revealed that 74% of small businesses felt that regulations changed so frequently it was hard to keep up; 71% said that agencies seem more interested in finding wrongdoing than helping businesses comply; and 41% said that they were considering selling or moving due to Oregon's tax or regulatory environment. Oregon's regulatory churn is particularly hard on small and mid-size businesses where HR/Operations/Facilities/Safety/Accounting are jobs performed by one person and they were already overloaded implementing last month's new rule before another new regulation was imposed on their business. Businesses will not invest in the future if the future feels so uncertain.

Between March and November 2024 over 500 permanent rulemaking notices were published. Some may not have had significant regulatory impacts, but others certainly did. Rulemaking processes and public engagement vary wildly between agencies. Just since the legislature began, agencies have adopted nearly 100 new rules. There is no way for the average observer to quickly gather this information under the system we have today.

There is no easy to navigate and readily accessible system to allow the public, lawmakers, press and regulated entities to get a big picture view of rulemaking activity. Individual agencies may do a relatively good job of publishing rulemaking notices, but you have to be an expert in that agency's processes. If we can't improve overall transparency, we need to ensure that the legislature itself has meaningful power to review rules.

Oversight of administrative rules by the legislature is essential when every session we see more and more bills. So far this session almost 3,400 bills have been introduced. Some of those bills could have dramatic impacts on businesses and individual Oregonians. But because there are so many bills and so many committees, the process is rushed. Often public testimony is limited to two minutes per person with no time for committee members to ask questions. This hurried process means that big issues don't get identified until the bill has already become law, and an agency is crafting rules for the new law.

While legislators do get notice of proposed rules, those notices tend to be highly technical and often do not highlight key elements in the proposal. The notices can easily get buried in all the other mail and notices legislators receive. There needs to be a real process to review rules for consistency with legislative intent and to make sure agencies are not exceeding statutory authority. SB 483 is a great starting point to evaluate how to best exercise the legislature's oversight authority.