



March 19, 2025

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

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

**RE:** SB 370 – Two-year agency rulemaking review

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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.

To advance this mission, OBI maintains an ongoing focus on improving Oregon's business climate, which requires improvement in the state's economic competitiveness. Over the past two years, OBI has been conducting outreach, researching Oregon's standing nationally and developing a proactive legislative agenda. One of our primary aims this year is to advocate for improvements in Oregon's regulatory environment.

Thank you for the opportunity to testify in support of SB 370. 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 370 is a key first step in improving Oregon's competitiveness.

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, or legislators, to quickly gather this information under the system we have today.

We can't expect legislators to keep up with all the administrative rules adopted each year under a system like this. SB 370 would narrow the number of new regulations legislators are reviewing to those specific to each policy committee.

A bill like SB 370 is particularly important when, like this year, there are so many bills that the lawmaking process is rushed. Committee agendas are often packed with more than can reasonably be done, and that means that testimony is frequently limited to no more than two minutes and legislators have little time to ask questions. This dynamic sets us up for legislation that is hastily crafted, forcing legislators to grant agencies broad rulemaking authority to fully develop new laws.

Rulemaking related to implementing new legislation gets a lot of attention. But agencies are constantly engaging in rulemaking to modify or expand various programs. Some agencies create entirely new regulatory programs just by exercising their rulemaking powers. Those expanded programs come with increased staffing and budget needs. The legislature should be given opportunities to see what is driving the need for greater investments in growing state agencies.

If policy committees had the opportunity to do comprehensive reviews of rulemaking specific to their assigned policy areas, legislators would be better equipped to evaluate how administrative rules shape Oregon's economy and legal landscape. Additionally, this process could improve transparency for the public.

We urge your support of SB 370 and look forward to more opportunities to improve Oregon's approach to the regulatory system.