

Feb. 10, 2026

TO: Members of the House Committee on Rules

FR: Duke Shepard, Senior Policy Director

RE: Support for HB 4021

Good afternoon, Chair Bowman, Vice Chair Elmer, Vice Chair Pham, and Members of the Committee:

I'm Duke Shepard, senior policy director for Oregon Business & Industry.

OBI supports HB 4021, which simply requires advance notice of rulemaking whether they are new, modified or repealed rules. We appreciate Rep. Bowman's work in bringing this bill forward.

In Oregon's regulatory environment, regulated entities find it extremely challenging to track, understand, implement and comply with regulatory changes. This is especially true of small businesses that may not have staff specifically dedicated to regulatory compliance.

In the case of the original Climate Protection Program adopted Dec. 16, 2021, the final rule wasn't available for review until approximately 10 days before its Dec. 16 adoption, for a rule going into effect on Jan. 1, 2022. This provided regulated entities with very little time to prepare for implementation of a very complex and costly new regulatory program. Oregon businesses are tremendously innovative, but they need time to plan for rule changes affecting compliance obligations.

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. During one six-month period of 2024 alone, we counted over 500 different rulemakings.

Oregon is clearly an outlier and it's reflected in the loss of jobs, business expanding or moving other states as noted in a University of Oregon report last year, and in our multi-year decline in manufacturing.

To retain, grow, and attract businesses, Oregon needs to modernize its regulatory structure. HB 4021 makes sensible and important changes that notify regulated entities of rule changes in advance of the date they take effect.

OBI urges your support of HB 4021.

Thank you.