



**House Committee on Federal and State Affairs
Neutral Testimony on HB 2087
Presented by Eric Stafford, Vice President of Government Affairs**

Monday, February 1, 2021

Mister Chairman and members of the committee, my name is Eric Stafford, Vice President of Government Affairs for the Kansas Chamber. The Kansas Chamber represents small, medium and large businesses of all industry segments across the state. We appreciate the opportunity to testify as neutral on House Bill 2087.

In 2018, the Kansas Chamber along with other industry associations supported the passage of House Bill 2280 that was ultimately signed into law by Governor Colyer. The Chamber first testified on HB 2526, offering a substantial amendment based on Wisconsin's REINS (Regulations from the Executive in Need of Scrutiny) Act. That led the committee to look further into this subject and ultimately draft a bill that placed stronger requirements on state agencies to weigh the impact of the regulations they were seeking to implement on business and industry.

HB 2280 had strong bipartisan support, as both parties agree that excessive regulation from the executive branch risks the balance of power between the Executive and Legislative branches of government. Specifically, HB 2280 added stronger requirements on the economic impact statements from state agencies on impacted industries as Kansas agencies were loosely following prior to the passage of HB 2280.

HB 2280 required that state agencies reach out to trade associations, businesses, local government units, etc., who would be impacted by these regulations. Agencies were also required to review whether the proposed rule is mandated by the federal government, and if this approach taken by Kansas is different from that utilized by agencies in our surrounding states or federal government and if so, why the Kansas agency rule differs, and whether costs incurred by impacted parties would exceed \$3,000,000 over any two-year period.

Since then we've been informed that these new requirements are placing additional work on the Budget Director's office and potentially slowing down needed regulations too much (more on this shortly). HB 2280 required the budget office to review the economic impact statements from state agencies.

Last year, the Director of Budget introduced HB 2411, which attempted to amend the oversight law. We had concerns with that bill. HB 2087 eliminates the independent analysis of the economic impact of proposed rules by the director of the budget. Our concern here is that state agencies rarely issued reports on the impact prior to the passage of HB 2280 in 2018. Having an independent analysis offers checks and balances to the regulatory climate imposed on industry by state agencies.

Like last year's HB 2411, we do not have as much concern over the budget director eliminating his approval for regulations which do not exceed the \$3,000,000 over two-year period threshold. However, page 5, line 29 of the bill dealing with federal mandates, we would object to this change. Whether it comes from the state or federal government, a blanket exemption from independent review and accountability by state agencies on regulations that meet that threshold should still apply.

The intent of the law passed in 2018 was to hold agencies more accountable for their regulations that have a significant economic impact on businesses and industries in our state. We believe this law has improved such accountability, but understand how it has also caused problems with speedy approval of necessary regulations.

We have received feedback by some members that agencies are now blaming this law on why regulations are taking so long to get approved- in one case more than a year. We would support language to put a time requirement to ensure agencies don't use this law as a crutch to take their time issuing comprehensive economic impact review statements to the budget director and public which such regs are being impacted.

We appreciate the opportunity to testify neutral on HB 2087, and I am happy to answer any questions at the appropriate time.