

House Committee on Commerce, Labor and Economic
Development
HB 2818
Written Proponent Testimony
Ganon Evans, Policy Analyst
March 12, 2024



Chair Tarwater and members of the committee:

Please accept this written testimony on HB 2818, a bill that would create a new review process by which the Joint Committee on Administrative Rules and Regulations would review bills that would increase Kansas's regulatory burden.

Kansas needs regulatory reform to strengthen its economy by reducing costs for businesses and creating jobs. For instance, Kansas has lost 29,409 jobs due to occupational licensing restrictions, totaling \$197.5 million lost from the Kansas economy.¹

The biggest issue with regulatory reform is finding which regulations can be adjusted and how. HB 2818's reporting process for new regulation would compile the basic facts of each regulation and give legislators the opportunity to review them through the process.

This bill would help slow down Kansas's regulatory growth by giving legislators more knowledge and confidence in reviewing regulations if they feel like they could be unneeded or overly burdensome. However, there are two things that would strengthen the what is already a step in the right direction.

The first is reducing Kansas's current regulatory burden. HB 2818 creates a process to review new regulations. However, it doesn't address Kansas's existing regulatory burden, of which there was 72,645 regulatory restrictions as of 2021.² The second is that while HB 2818 creates a review process and reports by which regulations would be scrutinized, it doesn't set any official standards for how many new regulations can be created each year.

Other states have taken more assertive reforms to reduce regulation. Ohio's Senate Bill 9, which was signed into law in 2022, requires state agencies to remove two old regulations for every new regulation they implement.³ Idaho hosted public meetings where industry experts could voice their opinions on outdated regulations and implemented sunsets for new occupational licensing regulations in 2019.⁴

HB 2818 would give legislators the transparency and knowledge to decide whether a new regulation is needed. Yet, it lacks an impetus like a "two-for-one" rule or sunset conditions that would effectively slow regulatory growth.

Thank you for the opportunity to testify and I'd be happy to answer follow-up questions.

¹ Evgeny Vorotnikov and Morris Kleiner, *At What Cost?: State and National Estimates of the Economic Costs of Occupational Licensing*, Institute for Justice, November 14th, 2018, <https://ij.org/report/at-what-cost/>

² James Broughel, *Cutting Red Tape in Kansas: A Menu of Options*, Mercatus Center, November 1st, 2021, <https://www.mercatus.org/research/policy-briefs/cutting-red-tape-kansas-menu-options>

³ Rea S. Hederman, Jr., *Ohio is Model for Regulatory Reform*, The Buckeye Institute of Ohio, September 18th, 2023, <https://www.buckeyeinstitute.org/blog/detail/ohio-is-model-for-regulatory-reform>

⁴ Idaho Office of the Governor, *Governor Little signs two executive orders reducing regulatory burdens on Idahoans*, Thursday, January 31st, 2019, <https://gov.idaho.gov/pressrelease/governor-little-signs-two-new-executive-orders-reducing-regulatory-burdens-on-idahoans/>