



JIM STEINEKE

MAJORITY LEADER

STATE REPRESENTATIVE • 5th ASSEMBLY DISTRICT

(608) 266-2401
Toll-Free: (888) 534-0005
Rep.Steineke@legis.wi.gov

P.O. Box 8953
Madison, WI 53708-8953

To: Chairman Nass and members of the Senate Committee on Labor and Regulatory Reform
From: Representative Jim Steineke, 5th Assembly District
Date: February 6, 2018
Re: 2017 Assembly Bill 384

Thank you for hearing Assembly Bill 384, creating an expiration date for administrative rules. Though this committee held a public hearing on its companion, Senate Bill 295, in August, the version of this reform that passed the Assembly in November does have some changes to the review framework. Therefore, I will focus my testimony on the changes that were made to the original bill. Much has stayed the same, including our mission when beginning this reform. As I stated to this committee before: This bill stems from a belief that is shared by members of this committee and by the citizens who sent us here: the state's regulatory power is given to it by the people. Therefore the people, exercising their voice on their own and through their elected officials, should have periodic oversight of our regulations.

AB 384/SB 295 – Original Language

Under the original bill, each chapter of the Administrative Code was scheduled to expire seven years after its creation or re adoption. The Joint Committee for the Review of Administrative Rules (JCRAR) would work with agencies to set up that initial review schedule. A year prior to the chapter's expiration date, an agency could choose to submit a notice that they intend to re adopt the chapter. If they chose not to submit that notice, the chapter would expire on its expiration date. If they chose to submit the notice, that notice had to contain an explanation of the chapter, the underlying statutes, and a statement that the rules comply with state and federal laws. The notice would go to the relevant standing committees in both houses and JCRAR for review. If any member of the committees objected to the immediate re adoption of the chapter, the full chapter would expire on its expiration date. An agency could choose to re-promulgate the chapter with the exact same wording, or it could choose to re-promulgate the chapter with amended language. Either way, it would go through the full rulemaking process, allowing for additional legislative – but more importantly, public – oversight. If the promulgation process is not done in time, JCRAR has the option to delay a chapter's expiration by up to one year.

AB 384/SB 295 – As Passed by the Assembly

The Assembly adopted a substitute amendment that keeps the same steps in place, with changes to the specifics of the process. The Assembly also adopted a simple amendment to that substitute amendment that clears up a drafting error. Under the substitute amendment, each chapter of the Administrative code expires after nine years, not seven. This was done in response to agency and legislative concerns that a seven year window would be too burdensome. JCRAR still will work with agencies to set up the initial review schedule. *Two* years prior to the chapter expiring, an agency *must* submit a notice of proposed re adoption. The first italicized change was made to give an eventual re-promulgation process more time, and the second italicized change will retain legislative oversight on rules. An administration could not, under the substitute amendment, let a code chapter expire absent legislative input. The notice must contain the items contained in the original bill, with two additions. The first is a statement as to whether the agency recommends

that the chapter be readopted, readopted with changes, or allowed to expire. The second is a list of all guidance documents the agency has developed in relation to the chapter, with those documents available to committee members upon request. Much of these changes came from discussion that arose during committee work in the Assembly Committee on Regulatory Licensing Reform, which recommended adoption of the substitute amendment on an 8-1 vote. There are two large changes that I believe address the majority of the concerns that members of the public brought forward during their testimonies.

Though we all recognize the stifling effect that comes from overregulation, especially through outdated rules, there is also something to be said for regulatory certainty. That is the balancing act we were dealing with throughout this bill's lengthy drafting process, and I believe the consensus is that the substitute amendment gets the balance just right. In order to provide for more certainty, we changed the objection framework. If no objections are raised, just like under the original bill, the chapter is considered readopted for another nine year period. If there is an objection raised, JCRAR must meet within 30 working days to take action on the objection. If a majority of JCRAR votes to concur in the objection, the chapter will expire on its expiration date. If not (including a tie), the chapter is considered readopted for another nine year period.

There was also an additional piece we added into the bill, due to work from the Assembly committee. A lot of discussion and testimony brought up the problem with so-called "guidance documents" from agencies. To try and rein in what could be regulations run amok, this new provision simply requires agencies to identify the applicable federal law, state statute, or administrative rule that supports the information made in an agency publication.

General Remarks

This is a good-government reform. It was designed to re-emphasize the importance of legislative oversight in the rulemaking process without adding undue burdens onto state agencies. While this bill may require some additional work to be done for compliance, it is better to spend time removing unnecessary and burdensome regulations from Wisconsin's rulebooks than it is to keep costly, confusing, cursory, or contradictory mandates in place on our hunters and fishers, farmers, and small businesses. Allowing our regulated citizens to give feedback on the thousands of pages of administrative code, many of which go without review or revision for years, will allow for better collaboration and better public policy.

Fourteen states around the country require either mandatory legislative review of, or automatic expiration of, their administrative rules. Based on the experiences of other states with sunset clauses, I expect the overwhelming majority of administrative rules will be readopted without objection. However, we need to be able to look at them. Administrative code carries the force and weight of statute without the accountability of it being written by elected officials. We should have a framework in place to ensure that rules accomplish the goals they were written to accomplish, and that doing so costs what it was anticipated to cost.

**Statement of the Sierra Club John Muir Chapter, River Alliance of Wisconsin,
Clean Wisconsin, Wisconsin Wildlife Federation, Wisconsin League of
Conservation Voters, Wisconsin Land and Water, and Wisconsin Lakes
in opposition to
Assembly Bill 384
February 6, 2018**

Chairman Nass and members of the committee, my name is Bill Davis. I am the Chapter Director with the John Muir Chapter of the Sierra Club. I would like to thank you for the opportunity to provide comments in opposition to Assembly Bill 384.

The undersigned organizations, which represent tens of thousands of Wisconsin residents, are opposed to AB 384 because it is unnecessary given the review authority the legislature already has over administrative rules, and because it retards Wisconsin's ability to carry out its duty to protect the health and well-being of Wisconsinites and the environment. This bill would affect all aspects of the Department of Natural Resources (DNR) operations from bag limits to recreational activities such as snowmobiling and boating to forestry as well as environmental regulations that protect human health such as Safe Drinking Water Act, Clean Air Act and Clean Water Act. In addition, the bill applies to entire Chapters of code, not specific sections so if a legislator did not like, for example, the bag limit on Walleye it this bill could repeal *all* bag limits.

The Bill is unnecessary

The legislature already has the ability to review and suspend administrative rules through the Joint Committee for Review of Administrative Rules (JCRAR). This process is designed to avoid the constitutional issues referred to below.

AB 384 Potentially would put Wisconsin in violation of federal law

Over the decades, Wisconsin has elected to implement various Federal environmental laws such as the Clean Air Act, Clean Water Act and Safe Drinking Water Act. This allows Wisconsin DNR to tailor implementation of these laws (within the limits set by U.S. E.P.A.) to fit the circumstances in Wisconsin. It also means those affected by these laws are able to work with the Wisconsin Department of Natural Resources instead of the U.S. E.P.A. To maintain the ability to implement these laws Wisconsin must stay in compliance with the requirements EPA has set out for delegation. Compliance with federal law relies heavily on administrative rules. If some of these rules were repealed to under AB 384 Wisconsin would be out of compliance with federal law and our programs could revert back to EPA.

Will create confusion

This bill would create confusion in a number of ways. First, many chapters of the administrative code are linked. For example, NR 102 sets water quality standards and NR 217 lays out the methodology of how those standards are translated into permit limits. If one of these Chapters is repealed but other isn't it would create confusion over how to put legal limits in Clean Water Act permits. This potentially endangers our water resources and creates uncertainty for

permitted facilities.

Second, under the timelines in AB 384 an agency would appear to have a maximum of a 2.8 years (this assumes they are given the one year extension by JCRAR) to re-promulgate a rule that is objected to. Given the 2011 changes to Chap 227 and the passage of 2017 Act 57, it now takes longer than this to promulgate a rule. This means there will be gaps when a rule is not in effect. If there is a gap the agency may not enforce the rule. During that time industry and individuals will have no guidance as to how the underlying Wisconsin law will be applied to them. This will cause confusion, delay and unnecessary litigation.

Administrative Rules are necessary

Administrative rules are necessary to ensure uniform application of policy in the state. This is true for many reasons. First, it is difficult and unadvisable to spell out the level of detail needed in statute; difficult because it is hard to foresee all situations that may arise and unadvisable because information changes and it would be very difficult for the legislature to keep up with current information and technology. Second, the administrative process allows those with expertise in an area to craft rules that fit Wisconsin. For example, our water law and the water chemistry in our lakes and streams is different than say, Arizona yet the Clean Water Act applies to both. Administrative rules can be tailored to the situations that exist here. Finally, the administrative process allows for direct input by those affected to make sure the rules will work as intended.

Separation of Powers

We believe AB 384 violates Wisconsin's constitution Separation of Powers provisions. Wisconsin's state government is made up of three co-equal branches; each elected by the people of Wisconsin. The Legislature's role is to pass laws. The role of the Executive branch is to enforce those laws which it does through administrative rules. By allowing to overturn a promulgated rule AB 384 violates the Separation of Powers; to repeal a promulgated rule requires the full legislative process i.e. passage of a law and hence the participation of the executive branch, as is the case in the current JCRAR process.

For all these reasons we urge the committee to oppose AB 384.

Thank you again for the opportunity to testify.

Sierra Club – John Muir Chapter
River Alliance of Wisconsin,
Clean Wisconsin,
Wisconsin Wildlife Federation,
Wisconsin League of Conservation Voters
Wisconsin Land and Water
Wisconsin Lakes



WISCONSIN MANUFACTURERS & COMMERCE

**TESTIMONY BEFORE THE SENATE COMMITTEE ON LABOR AND
REGULATORY REFORM IN SUPPORT OF ASSEMBLY BILL 384**

Chairman Nass and Senators:

Thank you for the opportunity to testify today. My name is Lucas Vebber and I am the General Counsel and Director of Environmental and Energy Policy at Wisconsin Manufacturers and Commerce (WMC). WMC is the state's chamber of commerce and manufacturers' association. With approximately 3,800 members, we are the largest business trade association in Wisconsin. WMC represents members from all over Wisconsin of all sizes and in every sector of the state's economy. I am submitting these comments today in support of Assembly Bill 384.

I testified before this committee on the Senate companion to this legislation last August. I am attaching a copy of my testimony that was submitted to the committee back then. Since that hearing, the Assembly amended and passed this bill, which has now been referred here. While we certainly continue to support the bill that was heard in this committee last August, we do support this version as well. I would like to take just a minute to highlight some of the key differences between the two versions.

Under the original bill rules expired every 7 years, under this version, it's every 9 years. Like the original bill, this version continues to give JCRAR the ability to establish timelines for that expiration, and gives JCRAR the ability to extend rules for up to an additional year before they expire.

This bill continues to require agencies to give notice when they intend to re-adopt administrative code chapters, this version also requires them to include in that notice a list of guidance documents that have been put forward on those chapters and requires agencies to provide a copy of those documents upon request.

The notice from agencies gets referred under both the original bill and this version to JCRAR and a standing committee. This version puts more requirements upon committee members who wish to object to re-adoption, and requires JCRAR to concur with the objection before the chapter may be re-adopted.

Thank you for your time, I would be happy to answer any questions you may have today.

WMC

WISCONSIN MANUFACTURERS & COMMERCE

TESTIMONY BEFORE THE SENATE COMMITTEE ON LABOR AND REGULATORY REFORM IN SUPPORT OF SENATE BILL 295

Chairman Nass and Committee Members:

Thank you for the opportunity to testify today. My name is Lucas Vebber and I am the General Counsel and Director of Environmental and Energy Policy at Wisconsin Manufacturers and Commerce (WMC). WMC is the state's chamber of commerce and manufacturers' association. With approximately 3,800 members, we are the largest business trade association in Wisconsin. WMC represents members from all over Wisconsin of all sizes and in every sector of the state's economy. I am here today to testify in support of Senate Bill 295.

This legislation is the next step in what has been a multi-session effort to greatly improve Wisconsin's regulatory process. Under current law, once a regulation is promulgated it stays on the books indefinitely. This legislation changes that, and provides for the expiration of each chapter of the administrative code every seven years, while also creating an expedited promulgation and Legislative review process.

Regulations are a necessary part of government. Agencies need to be able to implement the laws that the Legislature enacts. When they promulgate regulations, they should do so in the most efficient and effective way possible. Many code chapters have been on the books for decades. This legislation would: (1) require state agencies to constantly review their administrative code chapters, (2) establish a new process to quickly re-promulgate chapters they want to keep, and (3) empower the Legislature with oversight of this process to ensure accountability. This greatly increased oversight will ultimately lead to a more efficient code and a better regulatory climate for our state.

Technology is constantly changing, the code should keep up. Earlier this year, Wisconsin was named a top-10 best state for business. Businesses throughout the country and, as we have seen recently, throughout the world, have taken notice of the improvements our state has made. An improving regulatory environment has absolutely played a role in improving our state's business climate.

Thank you for the opportunity to testify today, I would be happy to answer any questions you may have.

501 East Washington Avenue, Madison, WI 53703-2914

Phone 608.258.3400 • Fax 608.258.3413 • www.wmc.org • Facebook WisconsinMC • Twitter @WisconsinMC

Founded in 1911, WMC is Wisconsin's chamber of commerce and largest business trade association.



THE LEADING VOICE
FOR WISCONSIN SMALL
AND INDEPENDENT BUSINESSES

February 6, 2018

TO: Members
Senate Committee on Labor and Regulatory Reform

FR: Brian Dake
Legislative Director
Wisconsin Independent Businesses

RE: 2017 Assembly Bill (AB) 384 relating to: the expiration of administrative rules.

Chairman Nass and committee members my name is Brian Dake, Legislative Director for Wisconsin Independent Businesses. Thank you for the opportunity to testify in support of 2017 Assembly Bill (AB) 384.

By way of background, Wisconsin Independent Businesses (WIB) was formed in 1977 to provide small, independent business owners with a voice in the legislative and regulatory activities of state government. Today, we have more than 4,000 members – approximately 85% of which own and operate businesses that have fewer than 25 employees.

Easing the regulatory burden on small employers is an ongoing WIB public policy priority and we believe reforms to the administrative rule-making process are needed to help us achieve this important objective.

Since 2011, Wisconsin lawmakers have taken meaningful steps to improve the processes by which new administrative rules are created. There is more accountability and transparency to the rule-making process. There are additional opportunities for small businesses to provide input before new rules are put in place. Thorough economic analysis is applied to proposed regulations to ensure that lawmakers fully understand the costs as well as the benefits.

WIB...Helping you where you need it.

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We believe these “small business-friendly” process reforms will lead to state agency regulations which are fair and reasonable. With that said, a fair and reasonable regulation put in place in 2018 may not be so in the future.

Customary business practices may change, existing technology may evolve, unforeseen innovations may occur. Small, independent businesses must adapt to these marketplace forces to remain viable and competitive. That is much harder to do when they must comply outdated, obsolete or unnecessary state government regulations.

2017 Assembly Bill (AB) 384 creates a thoughtful, deliberate and systematic process for the periodic review of all administrative rules.

Under this legislation, outdated, obsolete or unnecessary administrative rules can be easily culled from the Wisconsin Administrative Code. Existing rules can be renewed through a passive review process or be subjected to re-adoption through the current administrative rule-making process – a process that allows small employers to provide their input, requires the state agency to reassess the economic impact of the regulation and gives state lawmakers another opportunity to determine whether re-adoption of the administrative rule is warranted.

We respectfully ask for your support of AB 384.

Thank you in advance for your consideration of our request.



Wisconsin Insurance Alliance
 44 East Mifflin Street • Suite 901
 Madison, Wisconsin 53703
 (608) 255-1749 FAX (608) 255-2178
contact@wial.com / www.wial.com

Andrew Franken
President

Dan Ferris
Chairperson
 SECURA Insurance

Brian Grill
Vice Chairperson
 ACUITY

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 ACUITY

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- Jewelers Mutual Insurance
- League of Wisconsin Municipalities
 Mutual Insurance
- Liberty Mutual Group
- Maple Valley Mutual Insurance
- Mt. Morris Mutual
- Mutual of Wausau Insurance
- Nationwide
- Old Republic Surety Co.
- Partners Mutual Insurance Co.
- Pella Mutual Insurance
- Progressive Group of Insurance Cos.
- Racine County Mutual Insurance Co.
- Rural Mutual Insurance Co.
- SECURA Insurance
- Sentry Insurance
- S F M
- Sheboygan Falls Insurance
- Society Insurance
- State Farm Insurance
- Sugar Creek Mutual Insurance Co.
- Travelers
- United Wisconsin Insurance Co.
- USAA
- WEA Property & Casualty Co.
- West Bend Mutual Insurance
- Western National Mutual Ins. Co.
- Wilson Mutual Insurance
- Wisconsin County Mutual Ins. Co.
- Wisconsin Mutual Insurance Co.
- Wisconsin Reinsurance Corporation

February 6, 2018

TO: Members of the State Senate Labor & Regulatory Reform
 Committee

FROM: Andy Franken

RE: Oppose Assembly Bill 384/Senate Bill 295 Administrative Rule Lapse

On behalf of the Wisconsin Insurance Alliance, I respectfully request that you **OPPOSE Assembly Bill 384 and Senate Bill 295**, relating to expiration of administrative rules.

Companion bills AB 384 and SB 295 generally would require that the Office of the Commissioner of Insurance (“OCI”) readopt each chapter of the Wisconsin Insurance Regulations (Chapters Ins 1 through 57) after every seven years (9 years in the Substitute Amendment) and in certain circumstances allow the chapter to expire. **The proposal in these companion bills could negatively affect Wisconsin’s insurance industry for at least two reasons: (1) it could negatively affect Wisconsin’s accreditation with the National Association of Insurance Commissioners (“NAIC”) and (2) it could negatively affect the national uniformity that has been achieved in some areas of regulation through the adoption of NAIC model acts and regulations.**

Wisconsin’s domestic insurance industry is heavily regulated, both by the OCI and, to a lesser extent, by each of the states in which an insurer does business. Each state insurance department is a member of the National Association of Insurance Commissioners (“NAIC”), which assists the state insurance regulators in developing model acts and regulations that the state regulators may then propose for adoption to their state legislatures either with or without modification. The NAIC has also adopted an accreditation system, under which each of the state insurance regulatory bodies is examined by NAIC staff to determine whether the regulatory body has the statutes, regulations, personnel and other tools necessary to properly regulate the insurance industry domiciled in the state so that the insurance regulators of other states can rely on the regulation in the insurer’s domiciliary state. The accreditation standards are determined by all of the states through the NAIC process. Sometimes all of a proposed model act or regulation is deemed an accreditation standard but most often parts of model acts and regulations that are deemed necessary for good regulation are adopted as accreditation standards.

If a state does not meet the accreditation standards adopted by the NAIC, it will not be accredited, resulting in greater regulatory burden by other states of the insurers domiciled in the non-accredited state. **Under these companion bills, the maintenance of the accreditation standards by Wisconsin may be in jeopardy, which, in turn, may negatively affect the Wisconsin domestic insurance industry.**

As an example, there are parts of the following chapters that are a part of the accreditation process and that Wisconsin needs to maintain:

- Chapter Ins 6 – General (parts of Chapter Ins 6 only, e.g., investment regulation)
- Chapter Ins 7 – Forms (which includes forms required by the NAIC)
- Chapter Ins 40 – Insurance Holding Company System Regulation
- Chapter Ins 42 – Managing General Agents
- Chapter Ins 45 – Business Transacted with Producer Controlled Property or Casualty Insurer
- Chapter Ins 47 – Reinsurance Intermediary Regulation
- Chapter Ins 50 – Annual Audited Financial Reports, Annual Financial Statements & Exams
- Chapter Ins 51 – Capital Requirements for Insurers
- Chapter Ins 52 – Credit for Reinsurance
- Chapter Ins 3 – Casualty Insurance (including, without limitation, § Ins 3.39, Standards for disability insurance sold to the Medicare eligible, which is required by the federal government)

The NAIC's development of model acts and regulations and its accreditation process also assists in establishing uniform regulation across the United States, which is highly beneficial to insurance companies that do business in multiple states, which includes many Wisconsin-domiciled insurers. Parts or all of the following Wisconsin Administrative code chapters help achieve relative uniformity among the states making compliance less expensive and time-consuming for insurers licensed in multiple states:

- Chapter Ins 2 – Life Insurance
- Chapter Ins 3 – Casualty Insurance
- Chapter Ins 6 – General
- Chapter Ins 18 – Health Benefit Plan Grievances and Independent Review Organizations Certification and Review Procedures
- Chapter Ins 25 – Privacy of Consumer Financial & Health Information (also a federal standard)
- Chapter Ins 28 – Continuing Education (for agents)

For the above reasons, I respectfully request that you oppose these bills or provide the necessary exemption from the provisions for the Office of the Commissioner of Insurance.



44 East Mifflin Street • Suite 202 • Madison, Wisconsin 53703 • 608/257-3151

To: Wisconsin Legislature

From: Bill Skewes, WUA

Re: Opposition to AB 384

Date: February 6, 2018

On behalf of Wisconsin's investor owned gas and electric utilities, the Wisconsin Utilities Association (WUA) opposes AB 384 and its companion, SB 295, relating to the expiration of Administrative Rules. AB 384 will receive a public hearing Tuesday.

As it passed the Assembly, AB 384 provides for the expiration of each chapter of the Wisconsin Administrative Code after nine years unless the chapter is readopted by the agency through the process established under the bill, and a majority vote of the JCRAR can trigger the process for the rule to expire.

The administrative rules that apply to Wisconsin utilities are significant in their impact on utility operations, utility investments, and the interactions between utilities and their customers. Most have been developed following extensive technical and policy discussions led by the promulgating agency and all followed by legislative review.

WUA opposes this bill because it modifies the status of administrative rules in a way that leads to regulatory uncertainty, and has the potential to raise costs for customers.

Because the energy industry touches so many areas of citizens' lives, utilities and other stakeholders are heavily involved in rule development on issues as diverse as air and water, electric and natural gas service and ratemaking, workplace safety, building codes, commercial hazardous materials storage and others. Rules can take years to develop and utility staff devote significant hours to serving on agency-appointed working groups to provide technical expertise.

To repeat those efforts every nine years because of an easily triggered requirement imposes an undue burden on utility staff as they regularly respond to lapsing rules.

It will create more of an administrative burden on the regulated community and their customers, not less, and cost more money to revisit many policies and standards that it may have taken years to resolve.

For these reasons, we respectfully oppose AB 384 and we ask that no further action be taken on this legislation.



TO: Senate Committee on Labor and Regulatory Reform
FROM: Eric Bott, Americans for Prosperity Wisconsin State Director

DATE: February 6, 2018

RE: Support Assembly Bill 384, Regulatory Sunset Legislation

Thank you Chairman Nass and members of the Senate Committee on Labor and Regulatory reform for holding a hearing on Assembly Bill 384 today. On behalf of more than 130,000 Americans for Prosperity Wisconsin activists, we request your support for this important regulatory reform.

Prior to 2011, Wisconsin had long been a regulatory outlier compared to our neighboring states. For years, many agencies and especially the Department of Natural Resources (DNR) drafted regulations more stringently than required by federal law, often with little or no regard to their impact on jobs, wages, our economy as a whole, or individual liberty.

A study published last year by the Mercatus Center at George Mason University found that Wisconsin's administrative code in 2017 contained 1,976 chapters, 12,182 pages, 159,253 restrictions, and 12 million words. If a Wisconsin business owner tried to actually read all of the regulations that apply to his business and employees, it would take him 17 straight weeks.

Regulations carry the same force and weight of law. They can dramatically impact our lives and businesses. Today, regulatory compliance costs on the typical American family are greater than that household's food and clothing budget combined.

In recent years, this legislature has taken monumental steps to address the growing regulatory threat to our economy and liberty. 2011 Act 21 and the recently enacted REINS Act are reshaping the way the administrative state functions in Wisconsin for the better.

By requiring greater public participation, accurate economic impact analyses, increased transparency, and improved legislative oversight, these bills and other recent reforms will lead to smarter regulations and a diminished burden on Wisconsin families.

AB 384 is the logical next step. Past acts have begun to protect Wisconsinites from new burdensome regulations moving forward. Now it is time for the legislature to turn its attention to regulations that already exist.

Following legislation already adopted in 14 states, AB 384 requires state agencies and the legislature to review sections of the administrative code annually. Rules deemed necessary would be readopted. Rules deemed superfluous or excessive would be improved or discarded.

Passage of this legislation promotes greater interaction between state agencies and citizens and increases legislative oversight. If used properly, the tools provided to the legislature by this bill should help eliminate regulations that kill jobs, reduce wages, and limit individual liberty without imposing undo burdens on agency officials.

Thank you for your consideration.



Wisconsin

**Statement Before the
Senate Committee on Labor and Regulatory Reform**

By

**Bill G. Smith
State Director
National Federation of Independent Business
Wisconsin Chapter**

Tuesday, February 6, 2018

Assembly Bill 384

Mr. Chairman I appreciate the opportunity to submit a brief statement on behalf of NFIB's 10,000 member firms.

NFIB members consistently point to regulations – state and federal – as one of the top issues holding them back from hiring workers and taking the necessary steps toward growth.

According to a recent survey study of small business owners, 41% of the respondents said state regulations discourage hiring and prevent expansion; 29% said state regulations make it more difficult to start a business; while 70% indicate compliance with state regulations is a significant costly burden on their business.

That's why we encourage the Legislature to utilize whatever ways and means available to create a regulatory environment favorable for business creation and small business growth.

In state's all across the country, and in our nation's Capital, NFIB has led the fight for sensible regulations and a regulatory review process by elected officials that requires more transparency and accountability throughout that process.

Our state's small business community believes our elected officials should have a direct role in the regulatory process and we commend Representative Steineke, Senator Darling, and all the co-authors for introducing legislation that will help establish the authority of the Legislature over the rule-making process.

Statement Before the Senate Committee on Labor and Regulatory Reform
Tuesday, February 6, 2018
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Assembly Bill 384 would allow each chapter of the Administrative Code to expire, after seven years, unless through a process proscribed by the legislation, the rule is readopted.

We are especially pleased the bill provides the Joint Committee for Review of Administrative Rules with the responsibility to establish a schedule for the expiration rules, and also provides the Legislature with a significant role in the re-adoption of rules, while also providing some flexibility throughout the process of review and scheduling by the JCRAR.

We believe this hands-on review process by the Legislature will help to eliminate obsolete rules, duplicate rules or conflicting rules.

Thank you Mr. Chairman, members of the Committee, and on behalf of our states small business community, **I urge your support for passage of AB 384.**