

Senate Executive Departments and Administration Committee

Kevin Condict 271-7875

SB 93-FN, relative to establishing an office of regulatory efficiency and oversight.

Hearing Date: January 29, 2025

Time Opened: 9:18 a.m.

Time Closed: 9:36 a.m.

Members of the Committee Present: Senators Pearl, McGough, Altschiller and Reardon

Members of the Committee Absent : Senator Gannon

Bill Analysis: This bill establishes an office of regulatory efficiency and oversight.

Sponsors:

Sen. Innis

Who supports the bill: Grant Bosse (Sen. Innis), Drew Cline (Josiah Bartlett Center), and Greg Moore (AFPNH).

Who opposes the bill: Daniel Richardson, Oliver Matte, Hannah Willcutt, and Curtis Register.

Who is neutral on the bill: None.

Summary of testimony presented:

Grant Bosse, New Hampshire Senate Deputy Chief of Staff

- Mr. Bosse introduced Senate Bill 93-FN on behalf of Sen. Innis.
- Mr. Bosse said that legislators work hard to ensure that changes made to state statutes are going to expand opportunity and prosperity for New Hampshire families. He said that statutes are not the only way that the New Hampshire government affects businesses and individuals. He said that just as often, Administrative Rules can make life difficult.
- Mr. Bosse explained that the Joint Legislative Committee on Administrative Rules (JLCAR) is primarily concerned with ensuring that rules proposed by agencies comply with legislative intent. He said it is harder to anticipate the unintended consequences that rule can have on the private sector.

- Mr. Bosse stated that SB 93 would establish an Office of Regulatory Efficiency and Oversight (OREA), which would be administratively attached to the Department of Business and Economic Affairs. The OREO would act as the private sector's watchdog within the New Hampshire government.
- Mr. Bosse explained that the OREO would monitor existing and proposed rules and conduct a cost-benefit analysis. The OREO would have the ability to intervene on behalf of the private sector in the rulemaking process.
- Mr. Bosse specified that this is not exactly the same mission as the Committee on Government Efficiency (COGE) proposed by the Governor, but it is similar. Rather than being an ad hoc advisory committee, the OREO would be a permanent voice for the private sector within the state government.
- This bill authorizes a four-person staff with an appropriation of \$1.5 million, with authority to hire outside consultants within that budget.
- Mr. Bosse stated that Sen. Innis wants to ensure that the New Hampshire rulemaking process includes the voices of private sector innovators and job creators that fuel New Hampshire's economy.

Drew Cline, Josiah Bartlett Center

- Mr. Cline said that New Hampshire is the eighteenth most heavily regulated state in the country. He said that regulations create a drag on the economy.
- Mr. Cline said that Virginia created an Office of Regulatory Efficiency and that, according to that office, they have reduced costs in regulations by \$1.2 billion per year.
- Mr. Cline said this bill gets New Hampshire going in the right direction. He said he is surprised that New Hampshire does not have something like this already.
- Mr. Cline suggested possible amendments. He suggested not requiring state agencies to conduct their own review. He suggested updating reviews every twenty-four months or at the request of the OREO. He suggested having each regulatory requirement listed. He suggested making sure that each agency is citing the legal authority for regulations.
- Mr. Cline suggested putting in a requirement that format for reviews be consistent across agencies.
- Mr. Cline said that Virginia looks at transparency for its regulations. He suggested that the OREO create and maintain a website showing regulations and include a portal to make recommendations.
- Mr. Cline pointed to paragraph III on page 2, which speaks of a cost-benefit analysis. He said that other states have tried to do a similar analysis with their occupational licensing. He suggested adding language to the bill so that the OREO will propose alternatives using the least restrictive methods possible.
- Mr. Cline said this bill is a good idea, and that having a permanent office in the government reviewing regulations is a good idea.
- Mr. Cline explained that the Governor set a goal of twenty-five percent reduction to regulatory costs. He suggested having the OREO have a similar goal.

- Sen. Pearl asked if Mr. Cline could provide his suggestions in writing.
 - o Mr. Cline said that he would provide his suggestions in writing via email. He said he would send links to what other states have done.
- Sen. McGough asked about how other states handle regulations. He noted that New Hampshire tends to handle oversight in the legislative branch, but that the legislature does not often do oversight work. He asked, in Mr. Cline's opinion, if oversight belongs in a separate standing oversight committee or if it belongs in the executive branch.
 - o Mr. Cline said that having a permanent office in the executive branch would be useful because they would have daily interactions. He said OREO staff would be changing regulation language, measuring costs, and measuring the number of words in regulations. He explained the Arizona has a permanent governor's commission on efficiency. He said that the OREO would help control regulatory costs, and then their findings would be brought to the legislature.
- Sen. Reardon asked about the percentage of regulatory burden measured in the state. She said she would like to see more information on that. She noted that many of the bills being heard in the legislature place cost burdens on the municipal level. She asked whether the percentages are measuring exclusively State imposed costs or are looking at costs as a whole.
 - o Mr. Cline said that he would find that answer and send it to the Committee.
- Sen. Altschiller said she has been receiving the Josiah Bartlett Center's newsletter for eight years as a legislator. She said it is her observation that the organization aims to shrink government.
 - o Mr. Cline said that is correct, they want to bring government to the optimal level.
- Sen. Altschiller asked what the optimal level is.
 - o Mr. Cline said that it depends. He said once government grows beyond twenty-to-thirty percent of the state's GDP there is diminishing returns. He said the goal is to keep the government as small as possible to still do its function.
- Sen. Altschiller asked how Mr. Cline's organization is justifying its desire to build a bigger government with this bill and spend \$1.5 million on this during this budget year.
 - o Mr. Cline said that JBC sees the OREO as an agency that would be working full time to shrink the rest of the government. He said the investment return would be massive. He noted that Virginia's agency has said they are saving \$1.2 billion in regulation costs. He said the reduced regulatory burden payoff on economic growth would be tremendous.
- Sen. Reardon asked if there are any recent instances that have shown steps the General Court has taken to reduce the regulatory burden, and the effects of those efforts.
 - o Mr. Cline said that there have been a few efforts but nothing that he can think of quickly.

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Date Hearing Report completed: January 31, 2025