

GETTING OUR RULES RIGHT

Improving the Best State for Business

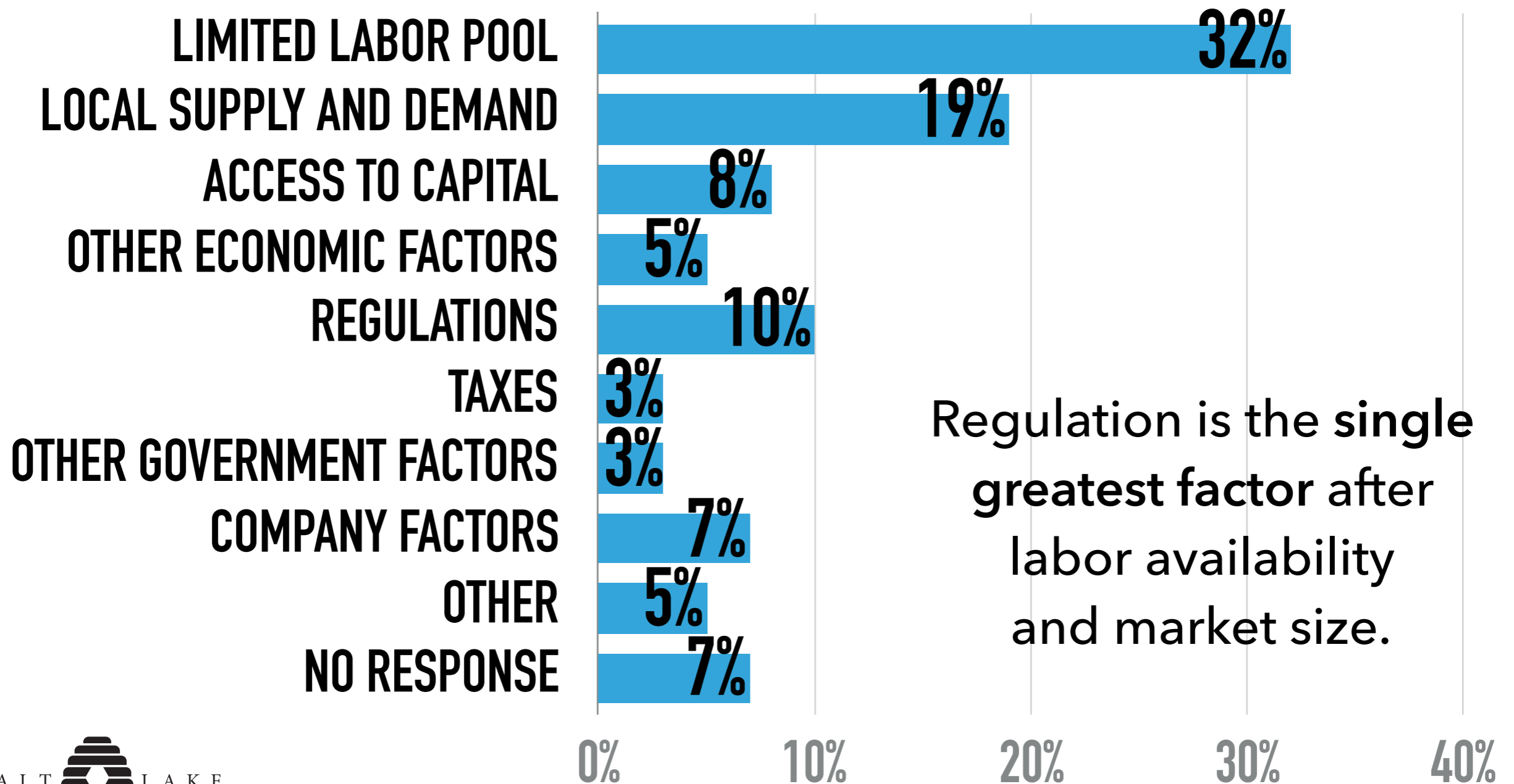
“WE BELIEVE LOW TAXES, EFFECTIVE REGULATION, TOP-NOTCH INFRASTRUCTURE, A TALENTED WORKFORCE, COMPETITIVE ENERGY PRICES AND A WELL-MANAGED, LIMITED GOVERNMENT CREATE THE ENVIRONMENT FOR ECONOMIC SUCCESS.”

Ingredients for Success

WE SUPPORT REGULATIONS THAT ENCOURAGE CAPITAL INVESTMENT, REMOVE UNCERTAINTY, IMPROVE TRANSPARENCY, REDUCE THE BURDEN ON BUSINESS AND PROTECT THE PUBLIC AND THE ENVIRONMENT.”

Position on Regulation


SINGLE GREATEST FACTOR IMPEDING COMPANIES' GROWTH IN UTAH



UTAH'S BUSINESS CLIMATE IS A CUT ABOVE THE REST

Forbes "Best State for Business" 5 out of the last 6 years.

- ▶ #5 Business Costs Rank (Forbes)
- ▶ #6 Regulatory Environment Rank (Forbes)
- ▶ #7 Business Climate Rank (U.S. Chamber)
- ▶ #8 Best Legal Environment (U.S. Chamber)
- ▶ #9 Business Tax Climate (Tax Foundation)
- ▶ #13 Small Business Policy Index (SBE Council)



edcUTAH
ECONOMIC DEVELOPMENT CORPORATION OF UTAH

Utah Governor's Office of Economic Development

www.forbes.com/best-states-for-business/

Nobody's Perfect

2010 – #1 BEST STATE FOR BUSINESS
2011 – #1 BEST STATE FOR BUSINESS
2012 – #1 BEST STATE FOR BUSINESS
2013 – #3 BEST STATE FOR BUSINESS
2014 – #1 BEST STATE FOR BUSINESS
2015 – #1 BEST STATE FOR BUSINESS

WE SUPPORT LOCAL, STATE AND FEDERAL REGULATORY REFORM EFFORTS THAT:

- **REDUCE THE REGULATORY BURDEN ON BUSINESS;**
- **REMOVE OUTDATED OR OUTMODED REGULATIONS;**
- **IMPROVE DATA-DRIVEN DECISION-MAKING; AND.**
- **ENSURE REGULATORS ABIDE BY OVERARCHING PRINCIPLES AND PERFORMANCE METRICS.”**

Regulation Reform Principles

QUESTIONS FOR STATE REFORM

- ▶ **How do we improve transparency and engagement from businesses?**
- ▶ **How do we better align agencies?**
- ▶ **How do we better measure the impact of rules on business?**

EFFORTS TO IMPROVE MEASURING IMPACT OF RULES ON BUSINESS

- ▶ **1985 - (H.B. 217)** - Requiring each agency to report anticipated cost or savings to state budgets, local governments, and other persons.
- ▶ **Mid-90s** - Efforts made to prepare a **business economic impact** for administrative rules.
- ▶ **1998 - (S.B. 88)** - Department head to comment on the fiscal impact each proposed rule would have on business. Intent was state for more robust cost-benefit analysis.
- ▶ **2007 - (H.B. 64)** - Requiring each agency to report on each proposed rule's anticipated costs or savings to small businesses (less than 50 employees)
- ▶ **2008 - (H.B. 53)** - Agencies must consider methods to mitigate any negative fiscal impact a proposed rule might have on small businesses.
- ▶ **2011 - Fiscal Notes** - LFA began using cost/saving information filed with administrative rules to aid in their evaluation of fiscal notes.
- ▶ **2011 - Governor's Regulation Review** - Found 48% of Utah's rules substantially affect businesses.
- ▶ **2011 - Executive Order** - Modified or eliminated more than 300 outmoded rules on business. Included GOED/GOPB in rule-making process.

PROPOSALS FOR IMPROVEMENT

- ▶ Modernize Utah's rules platform: rules.utah.gov
- ▶ Enhance central regulatory clearinghouse/evaluator
- ▶ Better measure the impact of rules on business
 - ▶ Regulatory Flexibility Act
 - ▶ Cost-Benefit and/or Cost-Effectiveness Analysis
 - ▶ Burden of proof should be required to demonstrate the need for rules and quantitative proof benefits outweigh the costs
 - ▶ Regulatory Budget