



Pledging Regulatory Reform

By Russ Harding

Michigan voters can expect to hear much debate about state tax and labor policy in this election year, and these are undeniably important. However, they will not matter as much if we do not get the regulatory policy right.

Regulatory requirements are the gate that job providers must pass through in order to conduct business in the state. Let's see who is serious about opening that gate. Candidates for state elective offices should be asked to sign the following "Regulatory Reform Pledge."

- **Do No More Harm** — I will not support any legislation, policy or ordinance that increases the cost of doing business in the state or does not provide a clear and compelling benefit to the environment and the public health.
- **No More Stringent Than Federal Requirements** — I support legislation that prevents any state agency from promulgating rules or policies that are more stringent than federal requirements without the Legislature's explicit approval.
- **Regulatory Review** — I support legislation requiring that all regulations sunset every five years and mandating legislative review of the regulations' cost-effectiveness before they are considered for renewal.
- **Cost and Benefit of Regulation** — I support legislation that requires all proposed regulations be subjected to an independent cost-benefit analysis before they are voted on.
- **Timely Permitting** — I support legislation that requires the state to grant or reject all licenses and permits within a reasonable timeframe. State agencies that fail to meet those timeframes would return the applicant's license or permit fee, and the license or permit would be considered approved.
- **No More Unfair Tax Treatment** — I will not support targeted tax breaks for individual businesses or sectors of the economy. I will instead support treating all businesses in the state equitably.
- **Agency Policy Not Binding** — I support legislation that affirms the legal principle that policy issued by state agencies in any form is not binding on the regulated community unless the policy is promulgated through the Michigan Administrative Procedures Act.

Summary

Candidates seeking elected office should be asked to sign the following pledge to reform Michigan's job-killing regulatory bureaucracy.

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- Maintain Only Core State Regulatory Programs — I support a legislative review of all state regulatory programs to determine programs essential to the public safety and welfare of Michigan residents. I do not support funding for the continuation of any nonessential regulatory programs.

Candidates upholding this pledge could produce real change. Officeholders from both major political parties claim the economy and jobs are their major concerns, but often vote for more job-killing regulations.

Despite the myriad problems Michigan faces, there is some hope on the horizon. Several pieces of legislation introduced last year are cause for optimism and reflect a shift in policy that I advocated for five years ago and are consistent with the pledge. They include:

- Senate Bill 434, which would prohibit state agencies from promulgating rules that are more stringent than federal standards without legislative approval.
- Senate Bill 435, which would require state agencies to prepare an annual regulatory plan to identify existing rules and whether they should be continued. The proposed legislation also requires agencies and legislative committees periodically to assess rules' impact on small business.
- Senate Bill 436, which would mandate an expedited review of permits and remedial action plans required under state environmental laws. If an applicant hires an engineer certified by the Department of Environmental Quality, the agency must adjudicate the permit within 21 days or the application is considered approved.
- Senate Bills 602 and 603 would transfer the forest program from the Department of Natural Resources to the Department of Agriculture and create a "right-to-forest" act. The DNR has consistently failed to offer enough timber for sale that even equals the amount of timber growth in state forests (foresters refer to this as the allowable cut).

Candidates signing — and acting on — this regulatory pledge would send a signal that Michigan welcomes new business. It is past time for Michigan candidates to take a stand on the critical issue of regulatory reform and to show they are indeed serious about getting government out of the way of job providers.

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