

# Ohio matters

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## THE CROSSROADS OF COMMERCE

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# Common Sense Initiative Brings Common Sense to Business Regulations

On April 17, Mark Hamlin from Lt. Gov. Mary Taylor's Common Sense Initiative (CSI) Office visited with the Ohio Chamber's Small Business Council to update members on CSI and its efforts to streamline and reform Ohio's business regulations. Gov. Kasich created CSI in 2011 through Executive Order 2011-01K and immediately appointed Taylor to lead the office. CSI was then codified into law by Senate Bill 2. The Ohio Chamber actively supported both of these efforts and has been engaged with Taylor and CSI ever since.

CSI is based on four simple principles that guide its actions. First, regulations should facilitate economic growth, not get in the way. Second, regulations, and the agencies that create them, should be transparent and responsive. Third, compliance should be as easy and inexpensive as possible. Finally, regulations should be fair and consistently applied.

CSI has been designed to operate along two tracks. The first track is focused on the administrative rules adopted by state agencies. Since Jan. 1, 2012, all administrative rules that impact business must be submitted to the CSI office for review, along with a Business Impact Analysis. The BIA requires the agency to explain why the regulation is necessary, which business stakeholders were involved in developing or reviewing the regulation, and the nature and degree of the impact. Ultimately, the agency must show that the regulation justifies the impact to business.

Hamlin described this rule review process and informed the Small Business Council that in 2012, Ohio's rule filings were 44 percent below the state's historical average. This drop is largely due to the fact that the CSI reviews have forced agencies to pause and ensure that they have met the CSI criteria and will be able to justify any rules they propose. In addition, the CSI Office has worked closely with agencies to encourage CSI values and minimize business impacts,

resulting in rule packages with better justifications and often changes to the rules themselves.

While the 44 percent reduction in rules filed during its first year helps demonstrate CSI's impact, Hamlin noted that the percentage is likely to change, in large part due to an effort by the CSI Office to reduce the significant backlog of rules that are overdue for the five-year reviews required by Ohio law. The five-year reviews are intended to force agencies to justify that a rule is still needed, and the CSI review process adds teeth to that process by forcing agencies to justify their existing rules as if they are brand new. But if agencies are avoiding the reviews, there is less opportunity to weed out the unnecessary rules and improve others. Currently, there are more than 2,000 rules that are overdue for their five-year reviews.

In addition to the rule review process, CSI operates along a second track, which allows it to work directly with businesses to resolve issues that are affecting them. The Small Business Council discussed this track and specific initiatives involving the CSI Office. Ohio Chamber member Tom Secor, of Durable Corp. in Norwalk, shared two stories about interactions with CSI. In the first, he contacted the office after being told by a county building inspector he would need to hire a separate contractor to inspect and certify bolts being used in an addition to his manufacturing facility. Working with the state building department, CSI was able to identify an alternative way to ensure and certify the safety of the bolts with no additional cost to the company.

In a separate instance, Secor referred a company to the CSI Office after the company mistakenly paid \$65,000 in sales tax. It learned of the mistake when it started bouncing checks. The company's CPA contacted the Department of Taxation and was told that it could get a refund but would have to wait six months. CSI was able to immediately work with Taxation and get it to expe-



Lt. Gov.  
Mary Taylor

dite the refund so the company could continue to operate.

"CSI works because the lieutenant governor supports the program and she believes in it," Secor says. "If you are getting nowhere on an issue that deals with state government, they will work with you to address your concerns."

In December 2010, the Ohio Chamber published *Redesigning Ohio: Transforming Government into a 21st Century Institution*. Our goal in releasing the report was to offer a roadmap for long-term, transformational change, and many of our suggestions in the area of regulatory reform have been incorporated into the Common Sense Initiative. We will continue to support CSI's efforts to foster a more jobs-friendly regulatory environment in the state of Ohio. 🇺🇸

For more information about CSI, including additional examples of success stories and guidance on how to participate in its rule review process, please visit [www.governor.ohio.gov/CSI](http://www.governor.ohio.gov/CSI). You can contact Mark Hamlin directly at [Mark.Hamlin@governor.ohio.gov](mailto:Mark.Hamlin@governor.ohio.gov).