

**Senate Committee on Commerce**

**Testimony in Support of House Bill 2648- Rule and Regulation Process, Economic Impact Statement, Legislative Oversight**

**Presented by Eric Stafford, Vice President of Government Affairs, Kansas Chamber**

**Tuesday, March 19, 2024**

Madam Chair and members of the committee, my name is Eric Stafford, Vice President of Government Affairs for the Kansas Chamber. The Kansas Chamber represents small, medium and large businesses of all industry segments across the state. We appreciate the opportunity to testify in support of House Bill 2648, which makes positive changes to the rule and reg process for Kansas state agencies. HB 2648 passed the House 82-36 a couple of weeks ago.

In 2018, Governor Jeff Colyer signed House Bill 2280, implementing part of what's known as the REINS Act requiring state agencies to conduct an economic impact statement to seek input from interested organizations and citizens to fully capture the financial impact of proposed regulations on industry. However, JCARR has expressed concerns that under the current process, agencies often submit incomplete economic impact statements and there is no way to hold agencies accountable for performing necessary work to fully present what the impact will be on those operating under the specific regulatory changes.

House Bill 2648 aims to strengthen our state's rule and reg process by granting the budget director the authority to disapprove regulations for failure to submit a complete economic impact statement. The budget director *"shall review the agency's determination of the implementation and compliance costs reasonably expected to be incurred by or passed along to businesses, local governments and individuals..."*. We provide a definition of "implementation and compliance costs" based off Florida's statute.

HB 2648 also adds legislative oversight similar to Florida and Wisconsin, by requiring the legislature to pass a bill specifically authorizing proposed regulations if the anticipated compliance costs exceed \$1 million over the first five years of implementation (New Section 1). We have been told on average that means approximately four bills per year in Florida, so it is not an extremely burdensome process.

In closing, we respectfully ask the committee to support House Bill 2648. We believe these are positive changes for everyone impacted by rules and regulations. Thank you for the opportunity to testify in support of House Bill 2648 and I'm happy to answer questions at the appropriate time.