



NEW YORK STATE SENATOR

James L. Seward

Over 2,000 Rules & Regs Warrant Reform

JAMES L. SEWARD January 22, 2014

| ISSUE: **ECONOMIC DEVELOPMENT**



ALBANY, 01/22/14 – The New York State Senate Majority Coalition recently issued a comprehensive report that sheds light on New York State’s notoriously dense regulatory structure and identifies 2,219 specific rules, regulations and practices that put New York’s businesses at a competitive disadvantage.

The report is the product of surveys, meetings, community outreach and the input of over 100 business owners, advocacy organizations and individuals that participated in one of nine industry-specific public forums conducted throughout the state.

“Over the past summer, I joined my senate colleagues to host hearings around the state to help determine the most onerous and costly state regulations,” said Senator Seward. **“This new report on the findings identifies over two-thousand specific rules and regulations that must be revised or eliminated.**

“By rebranding our state and reversing the anti-business, high tax climate that has developed, we will be able to make real strides. Businesses will have the ability to expand and hire, new companies will have a reason to come to our state, and our young people will have new career opportunities.”

During the course of this bipartisan fact-finding effort, several common issues emerged as seemingly inherent problems within the state’s regulatory structure and bureaucracy, these include:

- Agencies should provide guidance in navigating complex regulations, which can be more burdensome than complying with the regulation itself;
- Agencies should work cooperatively with businesses towards compliance rather than immediately penalizing;
- Agencies should be held accountable to timely respond to permit, license, and grant applications as well as inquiries from covered businesses;

- Agencies should develop fair and predictable regulations;
- Commissioners should be held accountable to conduct an agency-by-agency review of regulations as required by law;
- Agencies should communicate to avoid conflicting regulatory interpretations;
- The legislature should strengthen the State Administrative Procedure Act.

While addressing these “big picture” ideas are important to improving New York State’s regulatory environment, identifying specific regulations are just as important and will provide the logical starting point for comprehensive reform.

The Senate Majority Coalition decided that the best way to identify individual regulatory burdens was to focus on specific industries vital to regional and statewide economic growth.

This forum process helped identify 2,219 specific regulatory burdens New York State businesses must contend with. Each specific burden corresponds to a specific regulation or section of law, or a practice of an agency that has the effect of a regulation or statute in that it creates a burden on business as if it were a validly enacted law or rule.

This report is a continuation of efforts begun last year and the Senate Majority Coalition hopes it will serve as a blueprint in working with Governor Andrew M. Cuomo toward his stated goal of reducing the regulatory burden for employers and entrepreneurs in this state.

Unfortunately, no one has yet been able to put a price tag on the total economic cost of New York’s more than 750,000 regulations. However, some recent studies gauge how over-regulation can negatively affect an economy. A recent study commissioned by the Small

Business Administration's Office of Advocacy, found the total impact of federal regulations on the United States' economy in 2008 as being \$1.75 trillion—over 12% of the economy. More directly comparable to New York, a 2009 study found that regulations in California—a state with a similarly burdensome regulatory regime—cost the Golden State's economy \$493 billion annually, resulting in a loss of 3.8 million jobs, and reducing business tax receipts by over \$16 billion.

In June, the Senate Majority Coalition introduced and passed a package of 14 bills addressing the regulatory environment in New York State, including legislation (S.3462) sponsored by Senator Seward to allow the legislature to eliminate or amend state regulations that overstep their original intent. Other bills include:

- S.5657 - Establishes a task force to review the state Administrative Procedure Act to examine, evaluate, and make recommendations regarding the efficiency of the rulemaking process.
- S.5553 - Requires state agencies to provide expanded information on the costs and benefits associated with an agency proposal.
- S.5166 - Seeks to start the process of repealing agency rules and regulations that are an impediment to economic growth and job creation.
- S.1784 - Allows regulated businesses to petition a state agency for approval to use an alternative method to comply with a regulation.