

PROBLEM

Since January 2009, “government regulations and red tape” has been a top-three problem for small business owners, according to NFIB’s monthly *Small Business Economic Trends* survey.

Small businesses spend nearly \$12,000 per employee per year to comply with federal regulations - 30 percent more than it costs large companies.

Despite repeated executive orders aimed at making the regulatory process more transparent and accountable, legislation is necessary to ensure small businesses are adequately represented in the regulatory process.

SOLUTION

The Regulatory Accountability Act

The Regulatory Accountability Act brings the rulemaking process into the 21st century by reforming the 70-year old Administrative Procedure Act. The Regulatory Accountability Act improves the information agencies use to make regulatory decisions – leading to better developed rules that achieve legitimate goals.

H.R. 5

- Introduced by House Judiciary Committee Chairman Bob Goodlatte (VA-05).
- Passed the House on January 11, 2017 by a vote of 238-183.
- NFIB Key Vote.

S. 951

- Introduced by Senators Rob Portman (R-OH) and Heidi Heitkamp (D-ND).
- Passed out of the Committee on Homeland Security and Government Affairs.
- Awaiting Senate Floor Consideration.

Summary

The Regulatory Accountability Act builds on established principles of fair regulatory process and review embodied in executive orders since the Clinton administration. This legislation improves how federal agencies write the regulations that most significantly affect the U.S. economy. Specifically, the legislation:

- Increases public participation in the rulemaking process by requiring that agencies must choose the most cost effective option unless they can demonstrate a need to protect public health, safety, or welfare.
- Provides for on-the-record administrative hearings for the costliest regulations to ensure that agency data is thoroughly analyzed and reviewed.
- Makes the regulatory process more transparent, agencies more accountable, and regulations more cost-effective.

