MEMORANDUM

February 2, 2018

Subject: Benefits of Regulatory Reform

To: Joe Horvath of Yankee Institute

From: Mercatus Center at George Mason University

Overview: Why should Connecticut consider a British Columbia-style regulatory reform model? There are at least three good reasons why capping the level of state regulation could be a good idea.

1. Economic growth
   - British Columbia was one of the worst performing economies in Canada throughout the 1980s and 1990’s
   - From 2001 to 2004 BC reduced regulatory requirements by one third and as of 2017 the province has cut requirements by nearly 50 percent from 2001 levels
   - Since 2002, British Columbia has been one of Canada’s best performing economies

Resource: Can the United States Replicate the British Columbia Growth Model?

2. More systematic lookback at old regulations
   - A cap forces reassessment of old rules each time a new one is introduced
   - This can lead to a culture change among regulators from “regulation makers” that write rules to “regulation managers” that oversee a portfolio of evolving rules
   - Rules should be constantly updated to reflect a changing marketplace and technology

Resource: Spring Cleaning for Regulations

3. Democratic accountability
   - A statutory cap on regulation empowers the legislature with more control over regulatory agencies
   - It can work in a way akin to the budget process, where the legislature sets the level of the cap and then revisits that level each year
   - Caps can be set differently for different agencies depending on the state’s needs

Resource: Improving Legislative Oversight and Achieving Better Regulation in Pennsylvania

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