



THE BUCKEYE INSTITUTE

Interested Party Testimony Before the Ohio House Government Accountability and Oversight Committee on House Bill 301

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Chairman Blessing, Vice Chair Reineke, Ranking Member Clyde, and members of the Committee, thank you for the opportunity to testify today regarding House Bill 301.

My name is Greg R. Lawson. I am the research fellow at **The Buckeye Institute**, an independent research and educational institution—a think tank—whose mission is to advance free-market public policy in the states.

House Bill 301 takes a significant stride toward correcting the pernicious but all-too-common practice known as “sue and settle.” Special interests pursue a “sue and settle” scheme by filing a lawsuit against the state challenging state laws, regulations, or policies in the hope of reaching a favorable court-ordered settlement that effectively frustrate the state’s policy objective.

Ultimately, of course, “sue and settle” lawsuits circumvent the constitutional prerogative of the General Assembly to make policy.

The troubling “sue and settle” strategy has become so widespread at the state and federal levels that the U.S. Chamber of Commerce has called such special interest lawsuits what they really are: “regulating behind closed doors.”¹

Indeed, the U.S. Environmental Protection Agency has acknowledged the problem of backroom “regulation through litigation,” and has recently amended the process by which the EPA will agree to consent decrees.²

The Buckeye Institute is pleased that Ohio appears ready to take similar, reasonable steps with Representative Butler’s House Bill 301 to curb backroom settlements that often muddy regulatory waters that should be clear and transparent.

In our view, House Bill 301 reasserts the General Assembly’s rightful policy role by requiring the Assembly’s approval for any consent decree or court-approved settlement to which the state is a party that modifies or prevents a statute’s implementation. With such a requirement, House Bill 301 will return power to Ohio’s electorate by restoring transparency to a legislative and regulatory process that has been strategically hijacked by special interests and their lawyers.

We applaud this effort as sound regulatory policy, and we encourage the General Assembly to end the unsettling practice of “sue and settle” litigation.

Thank you for your time and consideration. I would be happy to answer any questions that the Committee may have at this time.

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¹ U.S. Chamber of Commerce, **Sue and Settle: Regulating Behind Closed Doors**, March 6, 2018.

² **Administrator Pruitt Issues Directive to End EPA “Sue & Settle,”** United States Environmental Protection Agency press release, October 16, 2017.

About The Buckeye Institute

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