



# OHIO: A MODEL FOR REGULATORY REFORM

BY GREG R. LAWSON  
OCTOBER 25, 2023

## Introduction

Doctors should use sanitary medical equipment, engineers designing bridges should be well-trained, and toxic chemicals should be kept out of the soil and waterways. Government rules and regulations help enforce these basic precepts of public health and safety, and rightly so. But too often, government rules go beyond addressing legitimate safety concerns, empowering an unelected bureaucracy to impose costly, unnecessary burdens. Ohio's administrative code, for example, contains more than 155,000 regulatory restrictions<sup>1</sup> that would take approximately 21 weeks to read<sup>2</sup>—far more red tape than needed to adequately protect the public.<sup>3</sup> And that red tape hinders entrepreneurs and job growth,<sup>4</sup> which ultimately stalls economic progress and reduces prosperity.<sup>5</sup>

---

<sup>1</sup> **Regulatory Restrictions Inventory Summation Report - June 15, 2022**, JCARR.state.oh.us (Last visited September 5, 2023).

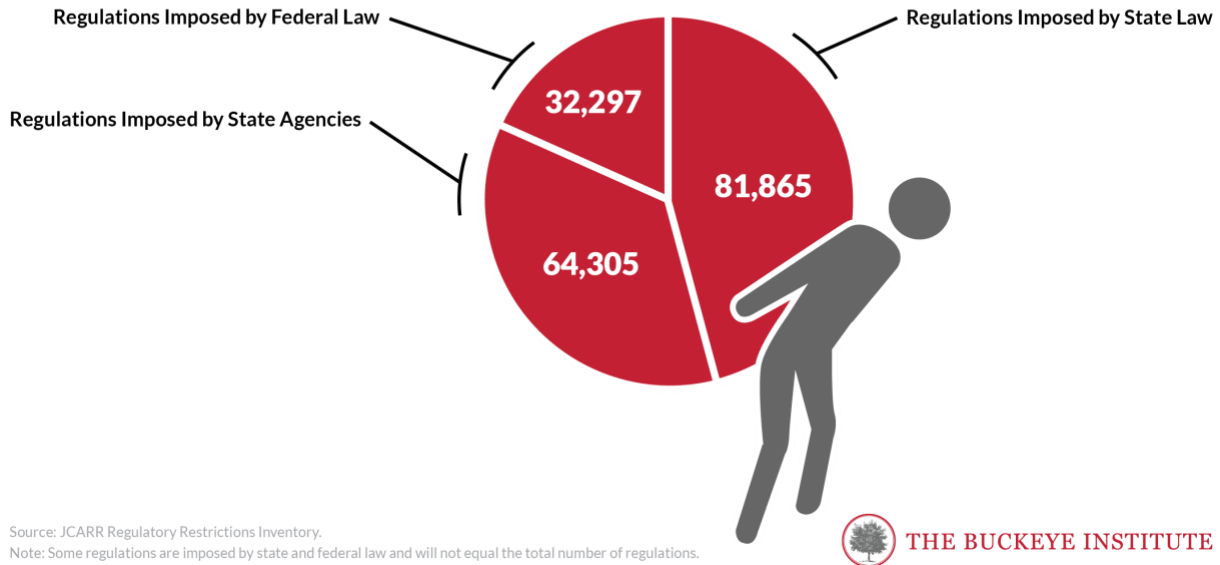
<sup>2</sup> *Ibid.*

<sup>3</sup> Ohio is the only state in the country that requires each university and community college to adopt the entire contents of their university policies in the administrative code. Additionally, unlike many states, Ohio often adopts the full text of federal regulations inside of its own state administrative code instead of highlighting only state-specific differences. These types of peculiarities helped to inflate the number of regulatory restrictions found in Ohio's code when compared to other states through efforts like the Mercatus Center's RegData project. Andy Chow, **Proposal Would Eliminate One-Third of Ohio's Code for Rules and Regulations**, Statenews.org, January 26, 2023; **State RegData: Definitive Edition Dashboard**, Quantgov.org (last visited September 6, 2023).

<sup>4</sup> Ana Maria Zarate Moreno, **Regulation, Innovation, and Entrepreneurship: A Review of the Literature**, George Washington University, December 8, 2015; David Parker and Colin Kilpatrick, **Measuring Regulatory Performance**, The Organization for Economic Co-Operation and Development, August 2012.

<sup>5</sup> Tim Kane, **The Importance of Startups in Job Creation and Job Destruction**, Ewing Marion Kaufman Foundation, September 9, 2010.

## OHIOANS ARE WEIGHED DOWN BY MORE THAN 155,000 GOVERNMENT REGULATIONS



Ohio policymakers have spent the past half-decade working aggressively to fix these issues and lighten the state’s regulatory burden. Their success offers other states a regulatory reform model worth following. The 132<sup>nd</sup> Ohio General Assembly (2017-2018) enacted the most extensive occupational licensing reform legislation in the nation.<sup>6</sup> Subsequent legislation called for reviewing Ohio’s regulatory apparatus and reducing the number of mandates and restrictions it imposed. Ohio House Bill 166 of the 133<sup>rd</sup> General Assembly (2019-2020) established a base-line inventory of all regulatory restrictions across state agencies and limited agency authority to adopt any new restrictions.<sup>7</sup> Ohio Senate Bill 9 of the 134<sup>th</sup> General Assembly (2021-2022) required a 30 percent reduction in restrictions over the course of several years and opened an online portal for public feedback regarding regulatory problems.<sup>8</sup> And Governor DeWine’s Innovate the Code initiative used artificial intelligence (AI) to find and eliminate duplicative or antiquated rules, an effort that has already yielded strong, streamlining results.<sup>9</sup>

These reforms are ongoing, but their early success gives policymakers across the country a workable blueprint for revising their own regulatory structures.

<sup>6</sup> **Ohio Governor Signs The Buckeye Institute-Championed Best-in-the-Nation Occupational Licensing Reform Policy**, The Buckeye Institute press release, January 4, 2019; **Ohio Governor Signs Landmark Reform of Occupational Licenses**, Institute for Justice press release, January 7, 2019; Nick Sibilla, **New Ohio Law Takes Aim at Occupational Licenses Which Cost State \$6 Billion**, *Forbes*, January 9, 2019.

<sup>7</sup> **House Bill 166 of the 133<sup>rd</sup> General Assembly**, [Legislature.ohio.gov](http://Legislature.ohio.gov) (Last visited September 7, 2023).

<sup>8</sup> **Senate Bill 9 of the 134<sup>th</sup> General Assembly**, [Legislature.ohio.gov](http://Legislature.ohio.gov) (Last visited August 21, 2023).

<sup>9</sup> **House Bill 33 of the 135<sup>th</sup> General Assembly**, [Legislature.ohio.gov](http://Legislature.ohio.gov) (Last visited September 7, 2023).

## The Ohio Regulatory Reform Effort

Ohio’s approach to regulatory reform gives the regulated and regulators a clearer, more detailed picture of the state’s bureaucratic requirements and prioritizes future restrictions. That picture allows state officials to trim outdated and unnecessary rules, reducing regulatory expenses and burdens. And Ohio welcomes input from the public and regulated industries to help make enforcement and oversight more efficient and effective.

### *House Bill 166: Regulatory Restriction Inventories & Limiting New Restrictions*

Ohio House Bill 166 required each state agency to review existing rules and inventory those containing regulatory “restrictions,”<sup>10</sup> which were defined as those compelling or prohibiting an action.<sup>11</sup> Some types of rules were exempt from the inventory, including internal management rules, emergency rules, and rules governing instant lottery games.<sup>12</sup> In addition to inventory requirements, agencies were enjoined from implementing any new restrictions without first removing two existing restrictions.<sup>13</sup> The law also required agency inventories to:

- Describe the regulation’s restriction;
- Identify the statute authorizing the restriction;
- Indicate whether state or federal law required the agency to adopt the restriction; and
- Indicate whether a change in state or federal law is needed to remove the restriction.<sup>14</sup>

The statute instructed the agencies to post their restrictive regulation totals on their websites and submit them to the Joint Committee on Agency Rule Review (JCARR) for further review.<sup>15</sup>

### *Senate Bill 9: Reducing Regulatory Restrictions & the Cut Red Tape Website*

Ohio Senate Bill 9 tasked JCARR with producing an aggregate report of all agency inventories.<sup>16</sup> According to that report, state agencies identified more than 155,233 regulatory restrictions contained within 9,944 administrative rules.<sup>17</sup> Of those restrictions, 81,865 were required by state law, and 32,297 by federal law,<sup>18</sup> leaving more than 64,000 that were drafted under general agency rule writing authority.<sup>19</sup>

---

<sup>10</sup> **House Bill 166 of the 133<sup>rd</sup> General Assembly**, Legislature.ohio.gov (Last visited September 7, 2023).

<sup>11</sup> *Ibid.*

<sup>12</sup> *Ibid.*

<sup>13</sup> *Ibid.*

<sup>14</sup> *Ibid.*

<sup>15</sup> *Ibid.*

<sup>16</sup> **Senate Bill 9 of the 134<sup>th</sup> General Assembly**, Legislature.ohio.gov (Last visited August 21, 2023).

<sup>17</sup> **Regulatory Restrictions Inventory Summation Report - June 15, 2022**, JCARR.state.oh.us (Last visited September 5, 2023). Note that some restrictions were required under both state and federal law, which means that when these are added to the restrictions made under general agency authority, the totals will not be equal.

<sup>18</sup> *Ibid.*

<sup>19</sup> *Ibid.*

Ohio Senate Bill 9 authorized JCARR to help agencies reduce their regulatory restrictions by 30 percent in 10 percent increments between June 30, 2023, and June 30, 2025.<sup>20</sup> Additionally, the statute placed a hard cap on the number of restrictions an agency could impose after the reduction was completed by July 1, 2025.<sup>21</sup>

Finally, the law created Cut Red Tape Ohio, an online portal operated by JCARR.<sup>22</sup> The portal gives the public and regulated industry online information about new rules and restrictions, and offers a straight-forward tool for them to flag for regulators any hidden problems with the restrictions. JCARR staff works with the relevant agencies to address the concerns raised, and email updates keep users informed of the progress.<sup>23</sup>

### *Innovate the Code*

The Innovate the Code effort spearheaded by Governor DeWine's administration has complemented House Bill 166 and Senate Bill 9 by using AI text analytics to research and analyze the Ohio Revised Code and the Ohio Administrative Code. That research identified more laws and regulations for policymakers to streamline, including outdated government notice requirements, and expanding options for the public to submit and receive government documents electronically.<sup>24</sup> Many of these changes were signed into law on July 1, 2023.<sup>25</sup>

### *Cut Red Tape Ohio*

Cut Red Tape Ohio is a new, relatively little-known website that helps the public learn about regulatory requirements and raise concerns with state regulators. The site has already trimmed red tape by alerting state officials to duplicative regulatory oversight by the Department of Agriculture (ODA) and the Department of Natural Resources (ODNR).<sup>26</sup> A constituent questioned the state's regulation of lagoons and stored farm manure, noting that rules subjected some lagoons and farmers to joint-jurisdiction and double inspections by the ODA and ODNR, which added time and expenses for regulators and the regulated. Upon receiving the query through the Cut Red Tape Ohio website, agency officials reviewed the rules and agreed that the dual regulations were unnecessary. ODNR subsequently announced its intention to modify classification criteria to exempt manure storage or treatment facilities regulated by ODA.

---

<sup>20</sup> *Ibid.*

<sup>21</sup> *Ibid.* Note Ohio Senate Bill 9 included a process for agencies to appeal to JCARR if they were unable to meet the 30 percent reduction. The process empowers JCARR to modify the reduction target for cause while submitting a written report to legislative leaders explaining the reason for any such modification.

<sup>22</sup> **Cut Red Tape Ohio**, [CutRedTape.ohio.gov](https://CutRedTape.ohio.gov) (Last visited September 7, 2023).

<sup>23</sup> *Ibid.*

<sup>24</sup> Andy Chow, **Proposal Would Eliminate One-Third of Ohio's Code for Rules and Regulations**, [Statenews.org](https://www.statenews.org), January 26, 2023.

<sup>25</sup> **House Bill 33 of the 135<sup>th</sup> General Assembly**, [Legislature.ohio.gov](https://legislature.ohio.gov) (Last visited September 7, 2023).

<sup>26</sup> See [CutRedTape.ohio.gov](https://CutRedTape.ohio.gov) **inquiry number 10000321 and response**.

## Key Strategies for Ensuring Reform

States looking to emulate Ohio's regulatory success should adopt several key strategies, including legislative leadership; an inventory of rules and regulations; clearly defined statutory terms; agency accountability; invited public feedback; and responsibly utilizing new technology.

### *Legislative Leadership*

Much of Ohio's success stems from legislative leadership that wrote regulatory reforms into law. Executive branch action may be better than no action at all, but unless reforms are done by law, they remain vulnerable to subsequent agency revisions and may be rewritten with the stroke of the next governor's pen.<sup>27</sup> Statutory reforms simply have more staying power. The Ohio General Assembly recognized that fact in codifying agency requirements for regulatory restriction inventories, capping allowable restrictions, and detailing the process for eliminating unwarranted regulations. The legislature led and set the agenda, obtained the administration's cooperation, and made it difficult for future administrations to rollback successful reforms.

### *Inventories & Defined Expectations*

Regulatory reform legislation begins with a survey of the state's regulatory landscape. Policymakers must first know the breadth and depth of state regulations. That requires a complete, well-defined inventory of current rules regulations. State policymakers can then identify unnecessary rules to remove and streamline. To remove and revise effectively, the legislature must set specific reduction targets and deadlines by statute. Without clear statutory definitions, targets, deadlines, and appellate process, bureaucratic gamesmanship can undermine the legislature's reform effort. The Ohio General Assembly specified clear goals beginning with an inventory of all regulatory restrictions, narrowly defined how agencies were to interpret "restrictions," and statutorily set the elimination targets with a limited appeals process. This approach gave agencies reasonable leeway, but still required compliance.

### *Agency Accountability*

State legislatures must hold agencies accountable for not complying with legislative directives. Ohio authorized JCARR, a rule-making oversight committee comprised of members from both legislative chambers, to coordinate and enforce agency compliance with the General Assembly's reform directives. JCARR has scheduled hearings, for example, to hold non-compliant agencies accountable and get them on-track.<sup>28</sup> States with similar oversight committees should use them, and states without such committees should create them. Without adequate legislative oversight and agency accountability, reform efforts can stall.

---

<sup>27</sup> *Learning from State Regulatory Streamlining Efforts*, National Governor's Association, July 1, 2022.

<sup>28</sup> *JCARR Demands Answers on Regulation Reduction Non-Compliance* (paywall), Gongwer News Service, September 29, 2023.

### *Invite Public Feedback*

Good regulatory reform must include feedback from the public and regulated entities to complement and inform top-down reforms. Regulatory structures are complicated, with “unknown unknowns” that will only be discovered after proposal, implementation, or even enforcement. Public feedback mechanisms allow the regulated to provide regulators with valuable information to help prevent redundant, low-value rules that burden businesses unnecessarily. Like the Cut Red Tape Ohio website, feedback mechanisms should be straight-forward and simple for the public to use. They must be adequately funded and staffed so that agencies can respond to inquiries quickly and effectively. And they should be advertised aggressively so that the public and regulated entities know where and how to offer feedback.

### *Utilize Technology*

Ohio’s Innovate the Code demonstrates one way that new technology—in this case, AI—can help recognize and eliminate regulatory redundancies and outdated requirements. As new technologies like AI mature, policymakers should use them to make it easier and cheaper for the public to interact with regulators. Legislatures should authorize oversight bodies like the Office of Innovate Ohio to coordinate and deploy technology across state agencies and provide accountability to facilitate responsible government use while protecting the public’s civil rights and liberties.<sup>29</sup>

## **Conclusion**

Reducing the state’s regulatory burden on families and businesses should be a vital part of any pro-growth economic plan. Ohio has modelled an effective regulatory reform agenda that other states can and should follow. The legislature has led the reform effort and used several key strategies to ensure agency compliance and accountability. By creating a comprehensive inventory of state rules and regulations, defining terms, setting those terms and expectations into law, inviting public input, coordinating oversight, and putting new technology to use, Ohio has enacted some of the most extensive and successful regulatory reform in history.

---

<sup>29</sup> [About InnovateOhio](#), InnovateOhio.gov (Last visited September 8, 2023).

### **About the Author**

Greg R. Lawson is the research fellow at The Buckeye Institute and serves as Buckeye's liaison to officials in the legislative and executive branches and educates policymakers on free-market solutions to Ohio's challenges. Lawson has nearly 20 years of experience working closely on 10 state budgets and has a deep knowledge of state and local taxes and Medicaid, education, and transportation funding. He began his career in state policy as a Legislative Service Commission fellow with the Ohio General Assembly.



**THE BUCKEYE INSTITUTE**

88 East Broad Street, Suite 1300

Columbus, Ohio 43215

(614) 224-4422

[BuckeyeInstitute.org](http://BuckeyeInstitute.org)

*Ohio: A Model for Regulatory Reform*

Copyright © 2023 The Buckeye Institute. All rights reserved.

Portions of this work may be reproduced and/or translated for non-commercial purposes provided The Buckeye Institute is acknowledged as the source of the material.