

## Ensuring Fiscal Responsibility in Rulemaking

Excessive and costly government regulations require businesses to spend significant resources on compliance and reporting. To make matters worse, many regulations discourage businesses from experimenting, stifling innovation and stunting growth. **Growing layers of red tape ultimately reduces profits, harms production, and increases prices for consumers.**

### Solution

State agencies should perform a comprehensive **cost-benefit analysis (CBA)** for every regulation to ensure the expected benefits of a regulation exceeds the burdens before it can go into effect.



Require agencies to perform a comprehensive **CBA before imposing a rule.**



Require agencies to **consider public feedback** on CBA when proposing new regulations.



Allow citizens and businesses to **challenge burdensome regulations** or faulty agency CBA in court.

And states that do perform cost-benefit analyses before implementing new rules should take steps to ensure their processes adhere to these rigors.

### Why it Matters

**A robust CBA process provides greater accountability and transparency in rulemaking, discourages agencies from proliferating needless rules and regulations, and ensures the public has a voice in the regulatory process.**

### Bottom Line

**Requiring bureaucratic agencies to conduct transparent and comprehensive cost-benefit analyses will help protect the public from burdensome and costly government regulations, freeing up resources for growth and innovation.**