



124 West Allegan, Ste. 620
Lansing, MI 48933

517-485-3409
nfib.com

To: The Honorable Members of the House Natural Resources Committee
Date: January 18, 2024
From: Tim Langholz, NFIB Michigan Assistant State Director
Re: Vote No on HB 5205 – Removing Guardrails on EGLE Rule Promulgation

On behalf of over 10,000 small business owners in Michigan, NFIB is asking for a no vote on House Bill 5205, which would grant the state's bureaucracy authority to create rules surrounding pollution in the state without justifying their decision.

NFIB is not opposing protecting our state's natural resources nor are we opposed to appropriate enforcement against those who would knowingly violate statutes that would cause harm. These individuals and businesses should be held accountable. However, we are opposed to any legislation that would further erode the rightful power of the legislature.

House Bill 5205 would allow unelected civil servants, who have no accountability to voters, to have the unfettered ability to promulgate rules, which essentially serve as statute. This authority should only be granted by the legislature with appropriate direction and guidance specific to legislation passed into law. The legislative process provides the venue for an appropriate discussion and allows the state to find a proper balance between environmental protection and over regulation that would harm the economic opportunities of Michigan's citizens, including small business.

When considering new business policies, it is important to remember that rules and regulations have a disproportionate impact on smaller companies. Research has shown that this difference can be as much as 36 percent between the costs incurred by small firms (less than 50 employees) when compared with their larger counterparts (more than 100 employees).

Our small businesses are already struggling due to government pandemic restrictions, inflation, supply chain issues, energy costs, labor availability, and constantly changing labor and tax policies. Adding further regulatory burdens that have little oversight from the legislature only adds to those hardships.

Unfortunately, this bill takes the power away from the legislature and gives it directly to the bureaucrats, diminishing the democratic process. We urge you to not abdicate your duties and vote no on HB 5205.

