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To: The Honorable Members of the House Natural Resources Committee
Date: June 8, 2023
From: Amanda Fisher, NFIB Michigan State Director
Re: Vote No on Senate Bill 14 – Repeal Prohibition on Regulations Stricter than Federal

On behalf of over 10,000 small business owners in Michigan, NFIB is asking for a no vote on Senate Bill 14, which would repeal a prohibition on state agencies promulgating rules stricter than those at the federal level.

After a decade of job growth and expansion, the last few years have been brutal for small businesses in Michigan. Government pandemic restrictions, inflation, supply chain issues, energy costs, labor availability, and constantly changing labor and tax policies have posed serious challenges to the fate of many small business owners throughout our state.

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).

Federal regulations alone on small businesses (firms that employ fewer than 50 people) averaged \$12,000 per employee in 2017 – up from \$10,585 in 2010 (latest data available). This amount is even higher for manufacturing businesses. The amount per employee continues to increase as more state-specific regulations are added.

When PA 608 was passed in 2018, NFIB worked with the sponsor and other stakeholders to find a compromise that provided for flexibility to address Michigan specific issues that may need more nuanced regulations. The extra steps that need to be taken by the departments under the current Act are not prohibitive, but work to ensure that new regulations have been thoroughly vetted.

Senate Bill 14 only serves to give unelected bureaucrats more power with less justification and accountability to both legislators and taxpayers, including small business owners. For these reasons, we would ask for you to vote NO on SB 14.

Thank you for your support of small business.

