

Office of Regulatory Reform: Making Regulations Work for Business

What we've heard about RI's regulatory environment:

- Too much red tape.
- There seems to be no oversight process for agency rulemaking.
- Businesses want more transparency in the rulemaking process.
- It's not clear where regulatory requirements come from – federal, state, or local.

How is the state addressing these issues?

Governor Raimondo's Executive Order 15-07:

- Created a comprehensive review process for all regulations generated by Executive Branch agencies.
- Review process institutionalized benefit-cost, statistical, and financial analyses to improve how agencies make regulatory decisions.
- Designated ORR as a gatekeeper for the state's regulatory environment to help prevent future overregulation.

Executing the 2016 amendments to the Administrative Procedures Act (APA):

- The Executive Order allowed ORR to review proposed regulations, but the APA allowed ORR to push the agencies to review and take meaningful action on every existing regulation (amend or repeal).
- All regulations must be in the RI Code of Regulations (RICR) by January 1, 2019 or they will be unenforceable.
- This effort alone has resulted in **71 true repeals**, and an additional 93 regulations that will be repealed and consolidated into other regulations.

ORR's overall impact on the state's regulatory environment:

- **231% increase** in regulatory repeals/consolidations
- **39% decrease** in regulatory actions (regulatory adoptions and amendments)
- **61% decrease** in emergency regulatory actions

Repeals since Executive Order 15-07: Since February 2015, **101 repeals and an additional 235 consolidations** have been submitted to the Secretary of State. This includes ORR's work under the directives of the Administrative Procedures Act (APA).

What are these repealed regulations?

Eliminating defunct regulations. For years, agencies used the APA as a way to share information to the public that went beyond regulatory requirements. Given the many other communication options now available, agencies are able to repeal unnecessary program requirements and non-regulatory information from regulations. Removing these requirements clarifies the actual regulatory provisions and saves time in compliance.

Aligning regulations with legislative intent. Sometimes the regulation does not align with the statute. To ensure this no longer occurs, agencies are required to properly cite to the statute for specific regulatory authority and requirements.

Consolidating and streamlining outdated regulations. Through the APA process, agencies such as EOHHS, DHS, and DCYF have been revising their current regulations by consolidating federal and state regulatory requirements into streamlined regulations that are up to date and digestible for the regulated public.

Changes made to remove overly burdensome requirements. Most of the time it is not the entire regulation but individual provisions that cause businesses the biggest challenges. We've included several examples on the back of this page of how ORR has assisted agencies in removing burdensome provisions.

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Reining in Regulations: Prohibition during Sunday Brunch	
Issue	ORR received several complaints from the RI Hospitality Association and restaurant owners regarding a restriction on alcohol service during Sunday brunch hours, prohibiting businesses from serving alcohol before noon.
Process	ORR determined the restriction existed only in regulation; the statute allows sales to start at ten o'clock in the morning. This provision made Rhode Island businesses less competitive and increased their liability, all without a clear health and safety benefit.
Outcome	ORR worked with DBR to amend their liquor licensing regulations to remove this burdensome provision. The result was reduced liability and increased competitiveness for RI restaurants, particularly those near the state borders.

Supporting Small Business: Child Care Providers	
Issue	In 2012, DCYF and RIDE proposed new guidelines for regulating center-based child care facilities. The regulations were intended to provide better education and safety for children at centers; however, in many ways they contradicted national standards and were economically burdensome to the small business owners of child care centers in the state.
Process	In 2015 DCYF worked with ORR to streamline regulation of child care centers. In merging two separate regulations, DCYF made the standards clear, predictable, and reliable for the significant number of child care small businesses in Rhode Island. The new rules align with national standards and balance the health and safety of children with flexibility for the centers to operate effectively.
Outcome	The accompanying cost-benefit analysis produced by DCYF with ORR's support showed a \$28 million net benefit over five years for the industry. The regulation struck a balance between the needs of the industry and protecting the health and safety of children.

Adopting Best Practice: Modernizing RI's Food Code	
Issue	Up until 2018, RI had been operating off of the 2005 Food Code. This meant that RI restaurants and the food service industry had not been able to take advantage of the latest national standards that reflect current science.
Process	Working with ORR, RIDOH determined it was time to update and consolidate the current Food Code and related regulations by adopting the 2013 Model Food Code. All of the regulations related to the Food Code were consolidated, and the number of RI-specific amendments was minimized.
Outcome	This update, supported by the RI Hospitality Association, is particularly beneficial for retailers that operate establishments in multiple states or have to compete with operations in nearby states.

Standardizing Compliance: Streamlining the Solar Permitting Process	
Issue	There were 39 separate municipal building and electric permits for solar project development.
Process	The General Assembly enacted legislation in 2016 to streamline the building and electric permitting process for solar projects across the State. Beginning on January 1, 2018, all municipalities are required to use a single, statewide solar building and electric permit application for all new solar applications submitted to a town or city.
Outcome	ORR worked with the Office of Energy Resources and the RI Building Code Commission to design and implement the statewide solar permit and the associated regulation. The new statewide solar building and electric permit launched on January 1, 2018 with all municipalities, and has been well received by the solar business community.