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Why Florida is a National Model for Regulatory Reform

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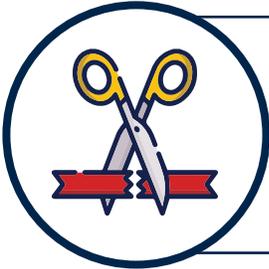
KEY FINDINGS



PEOPLE AND BUSINESSES ARE
FLOCKING TO FLORIDA.



FLORIDA HAS FOSTERED A
BUSINESS-FRIENDLY REGULATORY
ENVIRONMENT.



FLORIDA'S REGULATORY REVIEW PROCESS
PREVENTS COSTLY REGULATIONS AND
ROLLS BACK RED TAPE.



FEDERAL AND STATE LAWMAKERS MUST
REIN IN OUT-OF-CONTROL REGULATIONS
TO HELP TAME INFLATION.

THE BOTTOM LINE:

**CONGRESS AND OTHER STATES SHOULD
LEARN FROM FLORIDA'S SUCCESSFUL
REGULATORY REFORMS.**

Overview

People and businesses are fleeing heavily regulated states in search of more freedom-friendly climates.¹⁻² Florida has quickly become a top destination for businesses and individuals, with both flocking to the state in growing numbers.³⁻⁴ And this is not by accident. Over the last 10 years, Florida lawmakers have implemented regulatory reforms that allow residents to thrive, paving the way for entrepreneurship and economic prosperity.

Florida is a national model that Congress and other states should follow in order to rein in bureaucracy and cut red tape.



FLORIDA IS A NATIONAL MODEL THAT CONGRESS AND OTHER STATES SHOULD FOLLOW IN ORDER TO REIN IN BUREAUCRACY AND CUT RED TAPE.

Florida is a top destination for people and businesses

Florida is the number one destination for people fleeing other states.⁵⁻⁶ The state is growing so rapidly that a new person moves to Florida every 50 seconds.⁷ And more residents means more income in the state. In 2020 alone, new Florida residents injected more than \$41 billion dollars in new income when they relocated to the Sunshine State.⁸

Along with an infusion of income into the state economy, new residents also brought new businesses. More start-ups are being created in Florida than in any other state in the country, with a whopping 1,800 new businesses created every day.⁹ Dubbed the “new Silicon Valley,” Florida also saw the largest influx of new technology businesses in the nation.¹⁰⁻¹¹ The massive inflow is contributing to Florida’s already booming economy, resulting in the state’s economic growth outpacing the nation.¹²⁻¹⁴

It is no surprise that Florida consistently ranks as one of the best states in the country for business.¹⁵⁻²⁰ Over time, policymakers have carefully crafted a regulatory environment in order to promote job creation throughout Florida and attract new businesses to the state.



POLICYMAKERS HAVE CAREFULLY CRAFTED A REGULATORY ENVIRONMENT IN ORDER TO PROMOTE JOB CREATION THROUGHOUT FLORIDA AND ATTRACT NEW BUSINESSES TO THE STATE.

Florida's regulatory review process prevents costly regulations

On his very first day in office in 2011, then-Governor Rick Scott made clear that deregulatory reform in Florida was a priority of his administration.²¹ Governor Scott issued executive orders throughout his first year as governor to freeze agency rulemaking and establish an office for regulatory review and reduction, resulting in a process to help determine whether existing or proposed rules are outdated or hold back job creators.²²⁻²⁵ In 2019, Governor Ron DeSantis continued to lead Florida's deregulatory efforts at the executive level with a directive to update reporting requirements for agencies and enhance rulemaking review procedures, such as an additional determination of whether the rule is the most cost-effective form of regulation.²⁶

Florida lawmakers also improved the regulatory review process by requiring legislative approval of new costly rules.²⁷ **In Florida, proposed rules that cost more than \$1 million over five years may only take effect if they are approved by the legislature through a bill.**²⁸⁻²⁹ As a result, costly regulations are subject to the political process, and legislators must affirmatively support costly rules proposed by agencies before they are imposed on the public.



COSTLY REGULATIONS ARE SUBJECT TO THE POLITICAL PROCESS, AND LEGISLATORS MUST AFFIRMATIVELY SUPPORT COSTLY RULES PROPOSED BY AGENCIES BEFORE THEY ARE IMPOSED ON THE PUBLIC.

Florida has created a deregulatory ratchet of sorts, by both strengthening legislative oversight of agencies and implementing executive-level regulatory reforms. This approach both cuts and controls red tape.³⁰ While Florida governors have worked to reduce the number of regulations, the Florida Legislature has forced agencies to secure approval for costly rules before they are implemented.

The recent proposed rule to ban Styrofoam serves as an example. Just last year, Florida Agriculture Commissioner Nikki Fried—an elected state official not under the policy direction of the governor—announced proposed rulemaking to ban the use of Styrofoam packaging in grocery stores.³¹ The Styrofoam ban worked its way through Florida's rulemaking process, including notice and comment.³² In many states, the rule would likely advance without meaningful legislative input, but the rule was estimated to cost more than \$1 million over five years, triggering Florida's legislative approval requirement.³³ As a result, the Styrofoam ban was not implemented, as the legislature opted to not hear a bill to approve the proposed rule.³⁴

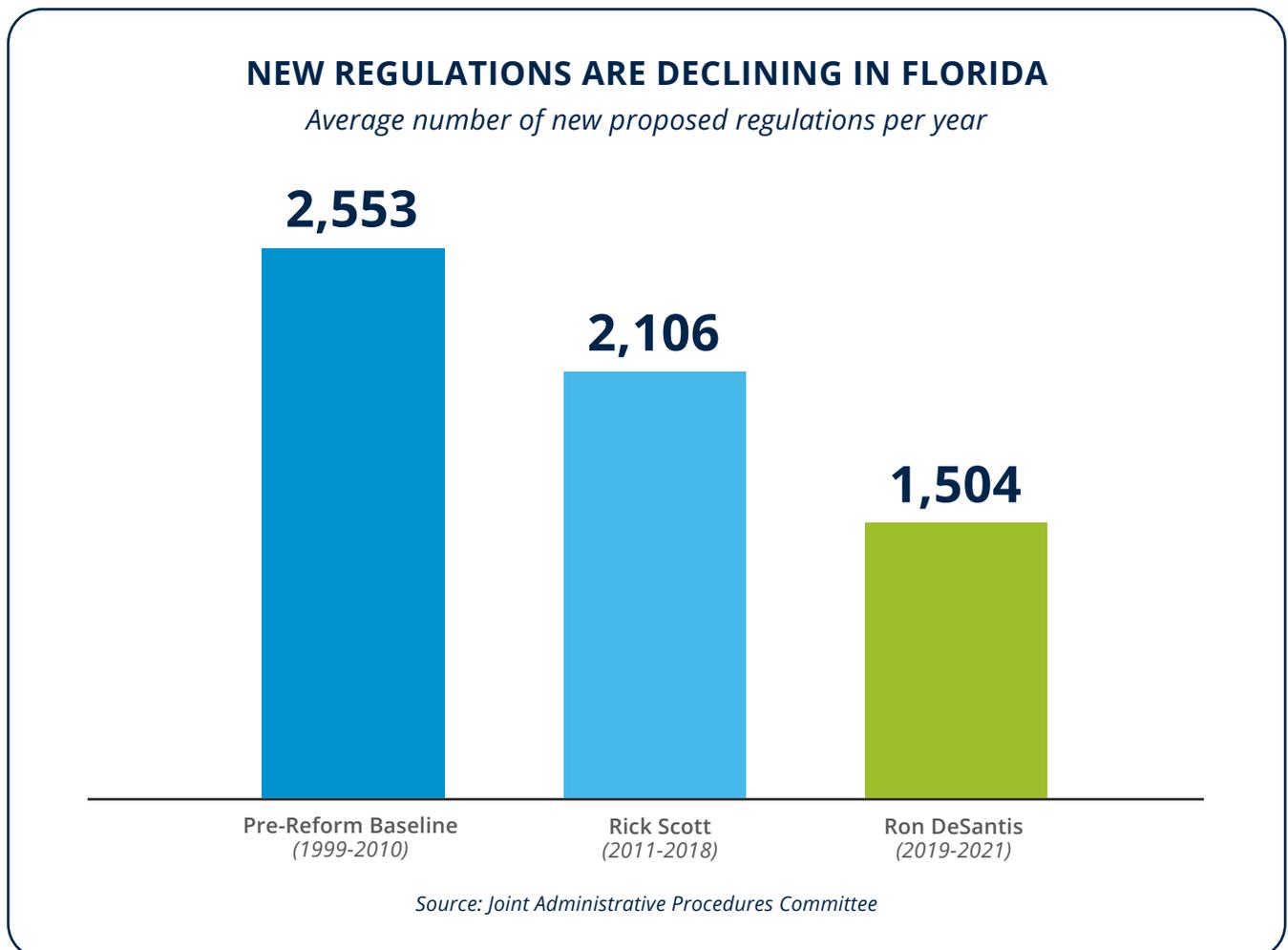
With strong leadership, the legislative and executive review functions work together to reduce the overall regulatory burden in Florida by reducing the volume of regulations and diminishing the risk of a particularly burdensome rule slipping through the cracks.

Requiring legislative approval of costly regulations adds a step before some rules become effective, but it has not halted necessary rulemaking. The policy serves as a deterrent to proposals for regulations that would otherwise be unexamined and move forward, as the prospect of agencies having to submit a rule for approval increases scrutiny, along with the prospect of the legislature having to cast a vote on a costly rule.³⁵

Florida’s regulatory review process rolls back red tape

Florida’s regulatory review process allowed then-Governor Scott to identify more than 1,000 regulations for repeal within just his first three months in office.³⁶ Over the course of his two terms, Governor Scott repealed nearly 5,000 regulations.³⁷⁻³⁸

Not only has Florida repealed outdated and burdensome regulations, but the growth of new regulations has slowed considerably.³⁹ From 1999 to 2010, an average of 2,553 new regulations were proposed each year.⁴⁰⁻⁴² But from 2019 to 2021, the number of proposed regulations plummeted to roughly 1,500 on average.⁴³ Under Governor DeSantis’s leadership, the average number of new proposed regulations reached a record low in 2021.⁴⁴



And it is not just the number of proposed rules that has declined. The total number of regulatory restrictions—instances of restrictive words in the regulatory code like “shall” or “may not”—has also declined over the past five years, while almost every other state has experienced the opposite trend.⁴⁵ **In other words, since 2017, roughly five out of every six states saw the number of regulatory restrictions increase, while Florida experienced a decrease.**⁴⁶

Federal and state lawmakers must rein in out-of-control regulations to help tame inflation

While Florida has been able to limit new regulations, the volume and cost of regulations have ballooned across the country. The Code of Federal Regulations—which codifies all federal rules—now spans more than 105 million words.⁴⁷ Making matters worse, there are an additional 450 million words spread across the country in state regulations.⁴⁸

With the sheer volume of existing regulations, it is impossible for any one person to know and follow every rule to which they are subject. But the disconnect between rule of law and “rule by regulation” is only part of the problem. When accounting for economic losses, compliance costs, and other costs, federal rules cost Americans roughly \$2 trillion every year.⁴⁹ And state regulations only add to these costs. In addition to direct costs, individuals spend more than 10 billion hours dealing with federal regulatory compliance paperwork.⁵⁰

Worse yet, President Biden is on a record-shattering regulatory spree, issuing more costly regulations in his first year than any other president in modern American history.⁵¹ And states are only compounding the problem with the vast majority seeing the number of regulations climb over the last few years.⁵² The regulatory burden is contributing to the near-record-high inflation Americans are facing.⁵³ Unless federal and state lawmakers rein in out-of-control regulations, the increasing number of rules will only drive prices and inflation even higher.



PRESIDENT BIDEN IS ON A RECORD-SHATTERING REGULATORY SPREE, ISSUING MORE COSTLY REGULATIONS IN HIS FIRST YEAR THAN ANY OTHER PRESIDENT IN MODERN AMERICAN HISTORY.

THE BOTTOM LINE: Congress and other states should learn from Florida’s successful regulatory reforms.

With the rising number and cost of regulations across the country, federal and state policymakers should take steps to rein in rogue regulators and cut red tape. **Congress and other states should follow Florida’s lead by requiring legislative approval of costly rules and implementing executive-level deregulatory policies.**

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