

Fighting for Regulatory Reform

By: Rep. Glenn Grothman

While it is common to cite high taxes as a major reason why businesses prefer other states to Wisconsin, in my opinion, a more serious problem is the regulatory climate. Whether dealing with the Department of Revenue, Natural Resources (DNR), Transportation (DOT), or Agriculture, Trade and Consumer Protection, the agencies draft and enforce rules on business that are expensive, ambiguous and entirely unpredictable. In particular, the Department of Revenue, the DNR, and DOT are notorious for behaving as if every business has a money tree in the basement. I have dealt with this in my prior job as a lawyer and have shared the frustration of the business community as a legislator. A related problem is the delay in granting permits that are required by government in order for a business to move to or expand in Wisconsin. While other states have less stringent rules or quickly process permits, Wisconsin's agencies delay the process. Our bureaucracy does not appreciate that time is money as equipment or land that is paid for goes unused, but the debt service must be paid. In addition, the delay is accompanied by legal, accounting and engineering fees as the bureaucracy sets more and more hurdles for businesses to go through.

Fortunately, the Legislature passed two bills this fall beginning to deal with this problem. First, we passed deadlines for permit review. Six agencies, including those listed above, will be forced to either grant or deny permits for cause within given time limits. The penalty for inaction will be either automatic granting of permits or returning of the application fee.

While this may not seem much of a penalty for a stubborn agency to pay, some of these agencies are funded largely by these fees. Some fees, particularly in the DNR, can run into the tens of thousands of dollars. If the agencies lose these fees, there will not be money in these agencies to pay salaries. Inaction by the agency will not just cost businesses money, it will cost the bureaucracy money also. This will cause bureaucrats to understand that time is their money too!!!

I supported this bill as it passed the Assembly 64-35 and the Senate 20-13. In a recent newsletter, Governor Doyle's own Department of Commerce praised the above proposal. Unfortunately, Governor Doyle has recently implied that he may veto this bill. Apparently, environmentalists who frequently would like to cease building of any kind in this state are weighing in. It will be interesting to see whom the Governor sides with.

Another bill, designed to revamp many of our current rules, will require every state agency to review all of their rules over the next five years. It gives businesses immunity from penalties if they disclosed violations of existing rules within 45 days of discovering the violation if substantial harm did not result. Finally, the definition of a small business is expanded for the purpose of agencies granting exemptions. This bill passed the Assembly 64-33 and Senate 21-11, and is now also on the Governor's desk.

The remainder of the year will be spent on other regulatory reform proposals. It is vital for our economic health that we stop penalizing business for locating or expanding in Wisconsin.

Please let me know what you think on this issue. Contact me here in Madison---please call 1-888-534-0058.

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