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MEMORANDUM

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February 2, 2018

**Subject:** Benefits of Regulatory Reform

**To:** Joe Horvath of Yankee Institute

**From:** Mercatus Center at George Mason University

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**Overview:** Why should Connecticut consider a British Columbia-style regulatory reform model? There are at least three good reasons why capping the level of state regulation could be a good idea.

1. Economic growth

- British Columbia was one of the worst performing economies in Canada throughout the 1980s and 1990's
- From 2001 to 2004 BC reduced regulatory requirements by one third and as of 2017 the province has cut requirements by nearly 50 percent from 2001 levels
- Since 2002, British Columbia has been one of Canada's best performing economies

Resource: [Can the United States Replicate the British Columbia Growth Model?](#)

2. More systematic lookback at old regulations

- A cap forces reassessment of old rules each time a new one is introduced
- This can lead to a culture change among regulators from "regulation makers" that write rules to "regulation managers" that oversee a portfolio of evolving rules
- Rules should be constantly updated to reflect a changing marketplace and technology

Resource: [Spring Cleaning for Regulations](#)

3. Democratic accountability

- A statutory cap on regulation empowers the legislature with more control over regulatory agencies
- It can work in a way akin to the budget process, where the legislature sets the level of the cap and then revisits that level each year
- Caps can be set differently for different agencies depending on the state's needs

Resource: [Improving Legislative Oversight and Achieving Better Regulation in Pennsylvania](#)

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