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Testimony Presenting LD 490:

"An Act to Provide for a 5-year Automatic Repeal of Agency Rules"

Senator Baldacci, Representative Salisbury, and the distinguished members of the Committee on State and Local Government, my name is Rep. Katrina Smith and I am honored to present LD 490, "An Act to Provide for a 5-year Automatic Repeal of Agency Rules." As the Maine House Assistant Minority Leader, I strongly believe that our government should work for the people, not against them. One of the greatest threats to economic growth and governmental accountability is the unchecked expansion of agency regulations. This bill is a step toward ensuring that state agencies do not amass regulatory power indefinitely, and that outdated or unnecessary rules do not become a permanent burden on Maine citizens and businesses.

The Need for Regulatory Sunset Provisions

Across the country, states are recognizing that regulatory accumulation is a hidden tax on economic prosperity. In Maine, our businesses, especially small businesses, struggle under the weight of excessive and outdated regulations that are rarely reviewed or repealed.¹ The Code of Maine Rules currently contains hundreds of rules enacted by agencies with little oversight from elected officials. While some regulations serve legitimate purposes, many persist long after their usefulness has expired, stifling innovation and creating unnecessary barriers to job creation.

LD 490 ensures that every agency rule faces periodic scrutiny by mandating an automatic repeal every five years unless the rule is actively reviewed and reauthorized by the Legislature. This approach restores the rightful role of lawmakers in the regulatory process, forces agencies to justify their regulations, and eliminates redundant or obsolete mandates.

Lessons from Other States

Maine is not the first state to recognize the importance of regulatory reform. States such as Idaho and Texas have implemented sunset provisions for agency rules, leading to more efficient governance and economic growth. In Idaho, for example, a broad-scale regulatory review resulted in the repeal or simplification of hundreds of burdensome regulations, cutting red tape for businesses and consumers alike.² In addition, Texas is home to the "Sunset Act," which

¹ <https://www.mercatus.org/research/policy-briefs/regulatory-accumulation-and-its-costs>

² <https://www.mercatus.org/economic-insights/expert-commentary/idaho-repeals-its-regulatory-code>

requires comprehensive agency-level review of regulations every 12 years.³ Similarly, North Carolina enacted periodic rule reviews that led to the repeal of nearly 2,200 outdated rules, streamlining government oversight while maintaining essential consumer and public health protections.⁴

Protecting the Rule of Law and Legislative Oversight

LD 490 does not eliminate necessary regulations—it merely ensures that they undergo regular evaluation. If a rule is necessary and beneficial, it will be reauthorized. If it is outdated or harmful, it will be removed. This process prevents agencies from exercising unchecked regulatory power and ensures that elected officials remain accountable to the people they serve. It also encourages a more dynamic and responsive government that adapts to changing economic and societal conditions.

Furthermore, this bill restores the proper balance of power between the Legislative and Executive branches of Maine state government. Rulemaking authority is often delegated to agencies for practical reasons, but it should never be an excuse for legislators to relinquish their responsibility to oversee all of the laws and rules that govern Mainers' daily lives. By requiring periodic review and reauthorization, LD 490 places the power back in the hands of the people's representatives.

Conclusion

Maine businesses, workers, and consumers deserve a regulatory system that is transparent, accountable, and adaptable. LD 490 will ensure that agency rules do not become permanent fixtures without legislative oversight. It is a commonsense reform that will make our government more efficient, responsive, and respectful of the principle of economic liberty.

I respectfully urge this committee to vote "Ought to Pass" on LD 490 to restore legislative control over Maine's regulatory framework. Thank you for your time and consideration, and I welcome any questions you may have.

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<https://www.sunset.texas.gov/about-us/frequently-asked-questions#:~:text=In%20government%2C%20%E2%80%9CSunset%E2%80%9D%20reviews,action%20to%20address%20problems%20identified>.

⁴ <https://www.oah.nc.gov/rules-division/periodic-review-and-expiration-existing-rules>