

Support the Small Business Regulatory Freedom Act

We, the undersigned organizations, urge you to advance and enact the *Small Business Regulatory Freedom Act* (H. 3021) – a commonsense REINS-style reform that passed the South Carolina House of Representatives unanimously and now awaits action in the Senate Judiciary Committee.

South Carolina's small businesses are too often burdened by a tangled and ever-expanding web of regulations that often grow without sufficient legislative oversight or accountability. Many of these regulations are outdated or unnecessary, stifling innovation, hindering job creation, and placing a disproportionate burden on the very businesses that drive our communities. Imagine a local bakery struggling to navigate complex labeling requirements that differ from neighboring states, or a local manufacturer delaying expansion because of confusing and inconsistent permitting processes. These real-world examples highlight how excessive regulation can cripple small businesses before they have a chance to grow and thrive.

The *Small Business Regulatory Freedom Act* restores balance, transparency, and accountability to the rulemaking process by ensuring that major new regulations cannot take effect without legislative approval. This key REINS-style safeguard reaffirms that the authority to make laws rests with elected representatives – not unelected bureaucrats.

In addition, H. 3021 includes several critical reforms that strengthen good governance and protect South Carolinians from regulatory overreach:

- **Judicial Deference Reform:** Clarifies that courts shall not automatically defer to an agency's interpretation of law, ensuring that judges – not regulators – have the final say on what the law means. This change promotes fairness, predictability, and adherence to legislative intent.
- **Regulatory Review and Sunset:** Establishes a systematic review process to identify outdated, duplicative, or unnecessary regulations and provides for automatic expiration dates to prevent obsolete rules from lingering indefinitely.
- **Economic Impact Analysis:** Requires agencies to provide detailed fiscal and economic assessments for proposed regulations, giving lawmakers and the public a clear understanding of costs and consequences before rules take effect.
- **Small Business Protection:** Directs agencies to consider less burdensome alternatives and to justify any regulatory action that imposes significant costs on small employers.

Together, these reforms create a more accountable and transparent regulatory environment – one that strengthens the separation of powers and promotes economic growth across South Carolina.

We respectfully urge the Senate Judiciary Committee to promptly take up H. 3021 and for the full Senate to pass and enact this vital legislation early in the 2026 legislative session. Swift action will ensure timely implementation and deliver long-overdue relief to small businesses across our state.

The *Small Business Regulatory Freedom Act* will reduce unnecessary red tape, promote innovation and, and create a level playing field for entrepreneurs in South Carolina – allowing them to focus on what they do best: creating jobs, innovating, and serving their communities. South Carolina’s job creators deserve a government that it is accountable, responsive, and focused on enabling – not obstructing – opportunity.

Sincerely,

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