

HOUSE BILL 449

P3

1lr1426

By: **Delegates Hough, Afzali, Eckardt, Glass, Hogan, McComas, McDermott, McDonough, Minnick, Myers, and B. Robinson**
Introduced and read first time: February 4, 2011
Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **State Government – Regulations Affecting Small Businesses and Economic**
3 **Impact Analysis**

4 FOR the purpose of requiring, under certain circumstances, an Executive Branch
5 agency or the Department of Legislative Services to include certain additional
6 information in an economic impact analysis on small businesses of a proposed
7 regulation; and generally relating to economic impact analyses of regulations
8 affecting small businesses.

9 BY repealing and reenacting, with amendments,
10 Article – State Government
11 Section 2–1505.2
12 Annotated Code of Maryland
13 (2009 Replacement Volume and 2010 Supplement)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
15 MARYLAND, That the Laws of Maryland read as follows:

16 **Article – State Government**

17 2–1505.2.

18 (a) (1) In this section the following words have the meanings indicated.

19 (2) “Committee” means the Joint Committee on Administrative,
20 Executive, and Legislative Review.

21 (3) “Economic impact analysis” means an estimate of the cost or the
22 economic benefit to small businesses that may be affected by a regulation proposed by
23 an agency pursuant to Title 10, Subtitle 1 of this article.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (4) “Economic impact analysis rating” means an estimate that a
2 proposed regulation will have:

3 (i) minimal or no economic impact on small businesses; or

4 (ii) meaningful economic impact on small businesses.

5 (5) “Small business” means a corporation, partnership, sole
6 proprietorship, or other business entity, including its affiliates, that:

7 (i) is independently owned and operated;

8 (ii) is not dominant in its field; and

9 (iii) employs 50 or fewer full-time employees.

10 (b) (1) An economic impact analysis rating and an economic impact
11 analysis, as appropriate, shall be prepared by the appropriate Executive Branch
12 agency for each regulation that the agency proposes for adoption pursuant to Title 10,
13 Subtitle 1 of this article.

14 (2) A copy of the economic impact analysis rating and the economic
15 impact analysis required under this subsection shall be submitted by the appropriate
16 agency:

17 (i) to the Department of Legislative Services no later than the
18 time the agency submits the regulation to the Committee to allow the Department to
19 comment on the economic impact analysis rating and the economic impact analysis;
20 and

21 (ii) to the Committee at the time the agency submits the
22 regulation to the Committee.

23 (c) (1) If the appropriate Executive Branch agency or the Department of
24 Legislative Services determines that a regulation will have minimal or no economic
25 impact on small businesses, the agency or Department shall indicate that
26 determination by a brief written statement.

27 (2) If the appropriate Executive Branch agency or the Department of
28 Legislative Services determines that a regulation will have a meaningful economic
29 impact on small businesses, the agency or Department shall develop a complete
30 written economic impact analysis, **INCLUDING:**

31 **(I) A DESCRIPTION OF ANY LESS INTRUSIVE OR LESS**
32 **COSTLY ALTERNATIVE METHOD THAT WOULD ACHIEVE THE PURPOSE OF THE**
33 **REGULATION; AND**

1 **(II) AN ASSESSMENT OF THE EFFECT AND PRACTICALITY OF**
2 **EXEMPTING SMALL BUSINESSES FROM ALL OR PART OF THE REQUIREMENTS OF**
3 **THE REGULATION.**

4 (3) (i) If the appropriate Executive Branch agency or the
5 Department determines that a regulation will have a meaningful economic impact on
6 small businesses and is unable to provide a complete written economic impact
7 analysis, the agency or Department shall provide a written explanation of why the
8 agency determined that the regulation will have a meaningful economic impact.

9 (ii) The explanation may identify the impact in general terms
10 and need not quantify the specific economic impact.

11 (d) The economic impact analysis rating and the economic impact analysis
12 required under this section shall include estimates directly relating to the following
13 factors, as appropriate:

14 (1) cost of providing goods and services;

15 (2) effect on the workforce;

16 (3) effect on the cost of housing;

17 (4) efficiency in production and marketing;

18 (5) capital investment, taxation, competition, and economic
19 development; and

20 (6) consumer choice.

21 (e) (1) The Executive Branch agency or the Department of Legislative
22 Services preparing the economic impact analysis rating and the economic impact
23 analysis required under this section shall consult with, as appropriate:

24 (i) other units of State government;

25 (ii) units of local government; and

26 (iii) business, trade, consumer, labor, and other groups impacted
27 by or having an interest in the regulation.

28 (2) On request of the Executive Director of the Department of
29 Legislative Services, a unit of the State or a local government shall provide the
30 Department with assistance or information in the preparation of an economic impact
31 analysis rating and economic impact analysis.

1 (f) The Department of Legislative Services shall:

2 (1) comment on the economic impact analysis rating and economic
3 impact analysis prepared by the appropriate Executive Branch agency; and

4 (2) transmit its comment to the Committee.

5 (g) The Department of Legislative Services shall revise the economic impact
6 analysis rating and economic impact analysis consistent with an amended version of a
7 regulation.

8 (h) (1) The Department of Legislative Services shall keep a copy of each
9 economic impact analysis rating and economic impact analysis for 3 years after
10 preparation of the rating or the analysis.

11 (2) The copies shall be reasonably available for public inspection.

12 (i) Economic impact analysis ratings and economic impact analyses shall be
13 published in the Maryland Register at the same time as:

14 (1) a notice of proposed adoption of a regulation is published in the
15 Maryland Register; or

16 (2) a notice of emergency adoption for a regulation is published in the
17 Maryland Register.

18 (j) The validity of an enactment of a regulation is not affected by the
19 presence, absence, or content of an economic impact analysis rating or an economic
20 impact analysis.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
22 October 1, 2011.