



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1349

PRINTERS NO. 3773

PRIME SPONSOR: Pickett

COST / (SAVINGS)

FUND	FY 2011/12	FY 2012/13
General Fund	\$0	Minimal

SUMMARY: Amends the Regulatory Review Act by requiring state agencies to consider the impact of proposed regulations on small businesses and provide alternative accommodating requirements for small businesses consistent with the objective of the applicable statutes. This legislation would take effect in 60 days and shall apply to proposed regulations submitted on or after the effective date of this act to the Legislative Reference Bureau for publication of notice of proposed rulemaking in the Pennsylvania Bulletin.

ANALYSIS: This legislation would require state agencies to consider the impact of proposed regulations on small businesses and provide alternative accommodating requirements for small businesses consistent with the objective of the applicable statutes. The legislation would also provide for the role of the Independent Regulatory Review Commission in the review of the regulations.

Role of State Agencies in the Regulatory Process: This legislation would require agencies to include the following on the regulatory analysis form submitted to the Independent Regulatory Review Commission (IRRC) and appropriate House and Senate standing committees:

- Identification of any type of small business that would be affected by the proposed regulation
- Identification of the financial, economic, and social impact on small businesses
- An economic impact statement that includes:
 - Estimated number of small businesses subject to the proposed regulation
 - The projected reporting, recordkeeping, and other administrative costs required for compliance with the proposed regulation
 - A statement of the probable effect on impacted small businesses
 - A description of any less intrusive or costly alternative method of achieving the purpose of the proposed regulation

- A regulatory flexibility analysis that provides alternative regulatory requirements for small businesses that accomplish the objectives of the applicable statutes while minimizing the adverse impact on small business. When creating the regulatory flexibility analysis, the agency will consider the following:
 - Establishment of less stringent compliance or reporting requirements for small businesses
 - Alternative schedules or deadlines for compliance or reporting requirements for small businesses
 - Simplification or consolidation of compliance or reporting requirements
 - Alternative performance standards for small businesses
 - An exemption for all or part of the proposed regulation

A small business is defined by the U.S. Small Business Administration's size regulations.

Role of the Independent Regulatory Review Commission: The legislation would add language to:

- require the IRRC to provide comments to an agency if the regulatory analysis form submitted by the agency indicates that a proposed regulation could have an adverse impact on small businesses;
- require the IRRC to consider whether a less costly or less intrusive method of achieving the purpose of the regulation has been considered for regulations impacting small businesses when determining if a proposed regulation is in the public interest

FISCAL IMPACT: This legislation would have a minimal, if any, effect on Commonwealth funds. It is anticipated that administrative staff within Commonwealth agencies could absorb the extra step in the proposed regulatory process without adding additional staff.

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House Appropriations Committee (R)

DATE: June 20, 2012

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.