



General Assembly

**Substitute Bill No. 259**

February Session, 2004

\* SB00259APP 042704 \*

**AN ACT CREATING A SMALL BUSINESS OFFICE WITHIN THE  
DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 4-168a of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective from passage*):

3 (a) As used in this section:

4 (1) "Agency", "proposed regulation" and "regulation" shall have the  
5 same meanings as provided in section 4-166; and

6 (2) "Small business" means a business entity, including its affiliates,  
7 that (A) is independently owned and operated, and (B) employs fewer  
8 than fifty full-time employees or has gross annual sales of less than  
9 five million dollars, provided that an agency, in adopting regulations  
10 in accordance with the provisions of this chapter, may define "small  
11 business" to include a greater number of full-time employees, not to  
12 exceed applicable federal standards or five hundred, whichever is less,  
13 if necessary to meet the needs and address specific problems of small  
14 businesses.

15 (b) Prior to the adoption of any proposed regulation on and after  
16 October 1, [1994] 2004, each agency shall first determine if the  
17 proposed regulation could have an adverse impact on small businesses

18 and, if so, prepare a regulatory flexibility analysis in which the agency  
19 shall [ , where consistent] detail how, in a manner consistent with  
20 public health, safety and welfare, [consider utilizing] regulatory  
21 methods can be used in a manner that will accomplish the objectives of  
22 applicable statutes while minimizing any such adverse impact on  
23 small businesses. The agency shall consider and detail, without  
24 limitation, how use of each of the following methods [of reducing]  
25 might reduce the impact of the proposed regulation on small  
26 businesses:

27 (1) The establishment of less stringent compliance or reporting  
28 requirements for small businesses;

29 (2) The establishment of less stringent schedules or deadlines for  
30 compliance or reporting requirements for small businesses;

31 (3) The consolidation or simplification of compliance or reporting  
32 requirements for small businesses;

33 (4) The establishment of performance standards for small businesses  
34 to replace design or operational standards required in the proposed  
35 regulation; and

36 (5) The exemption of small businesses from all or any part of the  
37 requirements contained in the proposed regulation.

38 (c) Prior to the adoption of any proposed regulation that may have  
39 an adverse impact on small businesses, each agency shall notify the  
40 Department of Economic and Community Development of its intent to  
41 adopt the proposed regulation. The Department of Economic and  
42 Community Development shall advise and assist agencies in  
43 complying with the provisions of this section.

44 (d) The requirements contained in this section shall not apply to  
45 emergency regulations issued pursuant to subsection (c) of section 4-  
46 168; regulations that do not affect small businesses directly, including,  
47 but not limited to, regulations concerning the administration of federal

48 programs; regulations concerning costs and standards for service  
49 businesses such as nursing homes, long-term care facilities, medical  
50 care providers, day care facilities, water companies, nonprofit 501(c)(3)  
51 agencies, group homes and residential care facilities; and regulations  
52 adopted to implement the provisions of sections 4a-60g to 4a-60i,  
53 inclusive.

54 Sec. 2. Section 4-168b of the general statutes is repealed and the  
55 following is substituted in lieu thereof (*Effective from passage*):

56 (a) Each agency shall maintain an official regulation-making record  
57 for the period required by law for each regulation it proposes in  
58 accordance with the provisions of section 4-168. The regulation-  
59 making record and materials incorporated by reference in the record  
60 shall be available for public inspection and copying.

61 (b) The agency regulation-making record shall contain: (1) Copies of  
62 all publications in the Connecticut Law Journal with respect to the  
63 regulation or the proceeding upon which the regulation is based; (2) a  
64 copy of any written analysis prepared for the proceeding upon which  
65 the regulation is based; (3) all written petitions, requests, submissions,  
66 and comments received by the agency and considered by the agency in  
67 connection with the formulation, proposal or adoption of the  
68 regulation or the proceeding upon which the regulation is based; (4)  
69 the official transcript, if any, of proceedings upon which the regulation  
70 is based or, if not transcribed, any tape recording or stenographic  
71 record of such proceedings, and any memoranda prepared by any  
72 member or employee of the agency summarizing the contents of the  
73 proceedings; (5) a copy of all official documents relating to the  
74 regulation, including the regulation filed in the office of the Secretary  
75 of the State, a statement of the principal considerations in opposition to  
76 the agency's action, and the agency's reasons for rejecting such  
77 considerations, as required pursuant to section 4-168 and the fiscal  
78 note prepared pursuant to subsection (a) of said section 4-168 and  
79 section 4-170, as amended by this act; (6) a copy of any petition for the  
80 regulation filed pursuant to section 4-174; (7) a copy of any regulatory

81 flexibility analysis required pursuant to section 4-168a, as amended by  
82 this act; and [(7)] (8) copies of all comments or communications  
83 between the agency and the legislative regulation review committee.

84 (c) The agency regulation-making record need not constitute the  
85 exclusive basis for agency action on that regulation or for judicial  
86 review thereof.

87 Sec. 3. Subsection (b) of section 4-170 of the general statutes is  
88 repealed and the following is substituted in lieu thereof (*Effective from*  
89 *passage*):

90 (b) (1) No adoption, amendment or repeal of any regulation, except  
91 a regulation issued pursuant to subsection (f) of section 4-168, shall be  
92 effective until (A) the original of the proposed regulation approved by  
93 the Attorney General, as provided in section 4-169, and eighteen copies  
94 thereof are submitted to the standing legislative regulation review  
95 committee at the designated office of the committee, in a manner  
96 designated by the committee, by the agency proposing the regulation,  
97 (B) the regulation is approved by the committee, at a regular meeting  
98 or a special meeting called for the purpose, and (C) the regulation is  
99 filed in the office of the Secretary of the State by the agency, as  
100 provided in section 4-172. (2) The date of submission for purposes of  
101 subsection (c) of this section shall be the first Tuesday of each month.  
102 Any regulation received by the committee on or before the first  
103 Tuesday of a month shall be deemed to have been submitted on the  
104 first Tuesday of that month. Any regulation submitted after the first  
105 Tuesday of a month shall be deemed to be submitted on the first  
106 Tuesday of the next succeeding month. (3) The form of proposed  
107 regulations which are submitted to the committee shall be as follows:  
108 New language added to an existing regulation shall be in capital letters  
109 or underlining, as determined by the committee; language to be  
110 deleted shall be enclosed in brackets and a new regulation or new  
111 section of a regulation shall be preceded by the word "(NEW)" in  
112 capital letters. Each proposed regulation shall have a statement of its  
113 purpose following the final section of the regulation. (4) The committee

114 may permit any proposed regulation, including, but not limited to, a  
115 proposed regulation which by reference incorporates in whole or in  
116 part, any other code, rule, regulation, standard or specification, to be  
117 submitted in summary form together with a statement of purpose for  
118 the proposed regulation. On and after October 1, 1994, if the committee  
119 finds that a federal statute requires, as a condition of the state  
120 exercising regulatory authority, that a Connecticut regulation at all  
121 times must be identical to a federal statute or regulation, then the  
122 committee may approve a Connecticut regulation that by reference  
123 specifically incorporates future amendments to such federal statute or  
124 regulation provided the agency that proposed the Connecticut  
125 regulation shall submit for approval amendments to such Connecticut  
126 regulations to the committee not later than thirty days after the  
127 effective date of such amendment, and provided further the committee  
128 may hold a public hearing on such Connecticut amendments. (5) The  
129 agency shall prepare a fiscal note, including an estimate of the cost or  
130 of the revenue impact on the state and any municipality, and shall  
131 append a copy of the note to each copy of the proposed regulation. At  
132 the time of submission to the committee, the agency shall mail or  
133 submit a copy of the proposed regulation and the fiscal note, prepared  
134 in accordance with subsection (a) of section 4-168, to (A) the Office of  
135 Fiscal Analysis which, within seven days of receipt, shall submit an  
136 analysis of the fiscal note to the committee; and (B) each joint standing  
137 committee of the General Assembly having cognizance of the subject  
138 matter of the proposed regulation. No regulation shall be found  
139 invalid due to the failure of an agency to submit a copy of the  
140 proposed regulation and the fiscal note to each committee of  
141 cognizance, provided such regulation and fiscal note has been  
142 submitted to one such committee. (6) At the time of submission to the  
143 committee, the agency shall append a copy such agency's  
144 determination that such regulation will not have an adverse impact on  
145 small businesses or a copy of the regulatory flexibility analysis  
146 required pursuant to section 4-168a, as amended by this act, as  
147 applicable, to each copy of the proposed regulation.

148       Sec. 4. (NEW) (*Effective from passage*) The Department of Economic  
149 and Community Development shall, within available appropriations,  
150 establish a small business office within the department to create a  
151 broker-agent system for small businesses that will assess the needs of  
152 such businesses, identify the organizations that can address such needs  
153 and broker or arrange services on behalf of such businesses.

This act shall take effect as follows:	
Section 1	<i>from passage</i>
Sec. 2	<i>from passage</i>
Sec. 3	<i>from passage</i>
Sec. 4	<i>from passage</i>

**GAE**       *Joint Favorable Subst.*

**APP**       *Joint Favorable*