



Substitute Senate Bill No. 302

Public Act No. 16-32

AN ACT CONCERNING THE IMPACT OF PROPOSED REGULATIONS ON SMALL BUSINESSES.

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

Section 1. Section 4-168a of the 2016 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2016*):

(a) As used in this section:

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

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

(b) Prior to [the adoption of any proposed regulation] or

Substitute Senate Bill No. 302

concomitant with the posting of a notice pursuant to section 4-168, each agency shall prepare a regulatory flexibility analysis in which the agency shall [, to the extent appropriate, utilize regulatory methods] identify:

(1) The scope and objectives of the proposed regulation;

(2) The types of businesses potentially affected by the proposed regulation;

(3) The total number of small businesses potentially subject to the proposed regulation;

(4) Whether small businesses, in order to comply with the proposed regulation, may be required to: (A) Create, file or issue additional reports; (B) implement additional recordkeeping procedures; (C) provide additional administrative oversight; (D) hire additional employees; (E) hire or contract with additional professionals, including, but not limited to, lawyers, accountants, engineers, auditors or inspectors; (F) purchase any product or make any capital investment; (G) conduct additional training, audits or inspections; or (H) pay additional taxes or fees;

(5) Whether and to what extent the agency communicated with small businesses or small business organizations in developing the proposed regulation and the regulatory flexibility analysis, if applicable;

(6) Whether and to what extent the proposed regulation provides alternative compliance methods for small businesses that will accomplish the objectives of applicable statutes while minimizing adverse impact on small businesses. Such [regulatory] methods shall be consistent with public health, safety and welfare [. The agency shall use, to the extent appropriate, each of the following methods of reducing the impact of the proposed regulation on small businesses]

Substitute Senate Bill No. 302

and may include, but not be limited to:

[(1)] (A) The establishment of less stringent compliance or reporting requirements for small businesses;

[(2)] (B) The establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses;

[(3)] (C) The consolidation or simplification of compliance or reporting requirements for small businesses;

[(4)] (D) The establishment of performance standards for small businesses to replace design or operational standards required in the proposed regulation; and

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

(c) Prior to the adoption of any proposed regulation that may have an adverse impact on small businesses, each agency shall notify the Department of Economic and Community Development and the joint standing committee of the General Assembly having cognizance of matters relating to commerce of its intent to adopt the proposed regulation. Said department and committee shall advise and assist agencies in complying with the provisions of this section.

(d) The requirements contained in this section shall not apply to emergency regulations issued pursuant to subsection (g) of section 4-168; regulations that do not affect small businesses directly, including, but not limited to, regulations concerning the administration of federal programs; regulations concerning costs and standards for service businesses such as nursing homes, long-term care facilities, medical care providers, day care facilities, water companies, nonprofit 501(c)(3) agencies, group homes and residential care facilities; and regulations adopted to implement the provisions of sections 4a-60g to 4a-60i,

Substitute Senate Bill No. 302

inclusive.

Sec. 2. Section 31-51ww of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2016*):

As used in this section and sections 31-51xx to 31-51eee, inclusive:

(1) "Account holder" means a participant in a certified state IDA program;

(2) "Department" means the Labor Department;

(3) "Approved plan" means a plan prepared jointly by the account holder and the community-based organization that defines savings goals, program requirements and permissible uses of the individual development account and its matching funds pursuant to sections 31-51xx to 31-51aaa, inclusive, and regulations adopted pursuant to section 31-51ddd. The approved plan shall be a contract between the account holder and the community-based organization;

(4) "Area median income" means area median household income as determined from time to time by the United States Department of Housing and Urban Development;

(5) "Certified state IDA program" means a program of matched savings accounts that has been certified by the department in accordance with regulations adopted pursuant to section 31-51ddd;

(6) "Clearinghouse" means a service to provide organizations interested in establishing, or which have established, individual development account programs with literature on federal, state and other sources of funding, guidelines for best practices and program standards, and information regarding the establishment and maintenance of certified state IDA programs;

(7) "Community-based organization" means an organization exempt

Substitute Senate Bill No. 302

from taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1986 or any subsequent corresponding internal revenue code of the United States, as from time to time amended, which meets the requirements set forth in regulations pursuant to section 31-51ddd;

(8) "Education" means (A) a postsecondary program of instruction provided by a college, university, community college, area technical high school, professional institution or specialized college or school legally authorized to grant degrees, or (B) any related educational program approved by the community-based organization and the department;

(9) "Entrepreneurial activity" means the purchase of or investment in a small business [, as defined in subsection (a) of section 4-168a,] in Connecticut in which, upon such purchase or investment, the account holder will be a principal;

(10) "Federal poverty level" means the most recent poverty income guidelines published by the United States Department of Health and Human Services;

(11) "Financial institution" means a "financial institution", as defined in section 36a-330;

(12) "Household" means a household, as defined in the federal Assets for Independence Act, P.L. 105-235;

(13) "Individual development account" means a savings account, maintained in a program that is established pursuant to section 31-51xx that is held in a financial institution, for the sole purpose of holding the funds of the account holder for one of the purposes described in subsection (a) of section 31-51xx;

(14) "Individual Development Account Reserve Fund" means a nonlapsing fund administered by the department for the purposes of

Substitute Senate Bill No. 302

providing matching funds for individual development accounts in certified state IDA programs, and for funding costs incurred by community-based organizations in the operation and administration of such programs and department's administrative costs for the Connecticut IDA Initiative;

(15) "Connecticut IDA Initiative" means the state-wide individual development account initiative established in section 31-51xx;

(16) "Job training" means a program for job entrance or skill development approved by the community-based organization and the department; [and]

(17) "Qualified disabled individual" means a disabled individual eligible for assistance to the disabled pursuant to chapter 319mm; and

(18) "Small business" means a business entity, including its affiliates, that (A) is independently owned and operated, and (B) employs fewer than seventy-five full-time employees or has gross annual sales of less than five million dollars.

Veto Override June 20, 2016