



General Assembly

February Session, 2016

Raised Bill No. 362

LCO No. 2552



Referred to Committee on GOVERNMENT ADMINISTRATION
AND ELECTIONS

Introduced by:
(GAE)

***AN ACT MODIFYING THE REGULATORY FLEXIBILITY ANALYSIS OF
REGULATIONS AFFECTING SMALL BUSINESSES.***

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

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2 statutes is repealed and the following is substituted in lieu thereof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

4 (a) As used in this section:

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

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

14 five hundred, whichever is less, if necessary to meet the needs and
15 address specific problems of small businesses.

16 (b) Prior to or at the time of issuing a notice for hearing or public
17 comment regarding the adoption of any proposed regulation pursuant
18 to section 4-168, as amended by this act, each agency shall prepare a
19 regulatory flexibility analysis [in which the agency shall, to the extent
20 appropriate, utilize regulatory methods] of the proposed regulation
21 that identifies:

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

23 (2) The types of small businesses potentially affected by the
24 regulation;

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

27 (4) The potential necessity that small businesses, in order to comply
28 with the regulation, be required to: (A) Create, file or issue additional
29 reports; (B) implement additional recordkeeping procedures; (C)
30 provide additional administrative oversight; (D) hire additional
31 employees; (E) hire one or more professionals, including, but not
32 limited to, an attorney, accountant, engineer, auditor or inspector; (F)
33 purchase a product or make any other capital investment; (G) conduct
34 additional training, audits or inspections; or (H) pay additional taxes
35 or fees;

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

39 (6) Whether, and to what extent, the regulation provides alternate
40 compliance methods for small businesses that will accomplish the
41 objectives of applicable statutes while minimizing adverse impact on
42 small businesses. Such [regulatory] methods shall be consistent with

43 public health, safety and welfare [. The agency shall use, to the extent
44 appropriate, each of the following methods of reducing the impact of
45 the proposed regulation on small businesses] and may include, but
46 need not be limited to, the following:

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

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

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

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

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

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

65 (d) The requirements [contained in] of this section shall not apply to
66 emergency regulations issued pursuant to subsection (g) of section 4-
67 168; regulations that do not affect small businesses directly, including,
68 but not limited to, regulations concerning the administration of federal
69 programs; regulations concerning costs and standards for service
70 businesses such as nursing homes, long-term care facilities, medical
71 care providers, day care facilities, water companies, nonprofit 501(c)(3)

72 agencies, group homes and residential care facilities; and regulations
73 adopted to implement the provisions of sections 4a-60g to 4a-60i,
74 inclusive.

75 Sec. 2. Subsection (a) of section 4-168 of the general statutes is
76 repealed and the following is substituted in lieu thereof (*Effective*
77 *October 1, 2016*):

78 (a) Except as provided in subsections (g) and (h) of this section, an
79 agency, not less than thirty days prior to adopting a proposed
80 regulation, shall (1) post a notice of its intended action on the
81 eRegulations System, which notice shall include (A) a specified public
82 comment period of not less than thirty days, (B) a description
83 sufficiently detailed so as to apprise persons likely to be affected of the
84 issues and subjects involved in the proposed regulation, (C) a
85 statement of the purposes for which the regulation is proposed, (D) a
86 reference to the statutory authority for the proposed regulation, (E)
87 [when,] where and how interested persons may obtain a copy of the
88 small business impact and regulatory flexibility analysis required
89 pursuant to section 4-168a, as amended by this act, and (F) when,
90 where and how interested persons may present their views on the
91 proposed regulation; (2) post a copy of the proposed regulation on the
92 eRegulations System; (3) give notice electronically to each joint
93 standing committee of the General Assembly having cognizance of the
94 subject matter of the proposed regulation; (4) give notice electronically
95 or provide a paper copy notice, if requested, to all persons who have
96 made requests to the agency for advance notice of its regulation-
97 making proceedings; (5) provide a paper copy or electronic version of
98 the proposed regulation to persons requesting it; and (6) prepare a
99 fiscal note, including an estimate of the cost or of the revenue impact
100 (A) on the state or any municipality of the state, and (B) on small
101 businesses in the state, including an estimate of the number of small
102 businesses subject to the proposed regulation and the projected costs,
103 including but not limited to, reporting, recordkeeping and
104 administrative, associated with compliance with the proposed

105 regulation and, if applicable, the regulatory flexibility analysis
106 prepared under section 4-168a, as amended by this act. The governing
107 body of any municipality, if requested, shall provide the agency,
108 within twenty working days, with any information that may be
109 necessary for analysis in preparation of such fiscal note.

110 Sec. 3. Section 31-51ww of the general statutes is repealed and the
111 following is substituted in lieu thereof (*Effective October 1, 2016*):

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

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

115 (2) "Department" means the Labor Department;

116 (3) "Approved plan" means a plan prepared jointly by the account
117 holder and the community-based organization that defines savings
118 goals, program requirements and permissible uses of the individual
119 development account and its matching funds pursuant to sections 31-
120 51xx to 31-51aaa, inclusive, and regulations adopted pursuant to
121 section 31-51ddd. The approved plan shall be a contract between the
122 account holder and the community-based organization;

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

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

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

134 maintenance of certified state IDA programs;

135 (7) "Community-based organization" means an organization exempt
136 from taxation pursuant to section 501(c)(3) of the Internal Revenue
137 Code of 1986 or any subsequent corresponding internal revenue code
138 of the United States, as from time to time amended, which meets the
139 requirements set forth in regulations pursuant to section 31-51ddd;

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

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

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

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

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

157 (13) "Individual development account" means a savings account,
158 maintained in a program that is established pursuant to section 31-
159 51xx that is held in a financial institution, for the sole purpose of
160 holding the funds of the account holder for one of the purposes
161 described in subsection (a) of section 31-51xx;

162 (14) "Individual Development Account Reserve Fund" means a

163 nonlapsing fund administered by the department for the purposes of
164 providing matching funds for individual development accounts in
165 certified state IDA programs, and for funding costs incurred by
166 community-based organizations in the operation and administration of
167 such programs and department's administrative costs for the
168 Connecticut IDA Initiative;

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

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

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

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

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2016</i>	4-168a
Sec. 2	<i>October 1, 2016</i>	4-168(a)
Sec. 3	<i>October 1, 2016</i>	31-51ww

Statement of Purpose:

To require the regulatory flexibility analysis prepared by agencies prior to the adoption of a proposed regulation to be prepared prior to the public hearing or comment period, to modify the definition of "small business" for purposes of such analysis and to expand what such analysis is required to contain.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]