
DIGEST

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HB 747 Original

2020 Regular Session

Riser

Abstract: Proposes requirements for business impact statements regarding proposed administrative rules.

Present law provides procedures for the proposal and adoption of administrative rules.

Present law requires that an agency give notice of an intended rule-making action at least 90 days prior to the action, and requires that the notice include specified elements.

Present law provides that one required element of the notice is a statement concerning the economic impact of the proposed rule on small business. Proposed law removes the "economic" limitation on the impacts and the "small" limitation on the businesses that shall be considered in the statement; thus proposed law requires that the statement evaluate any impact on any business. Proposed law further requires that the statements be approved by the legislative fiscal office.

Present law provides for the required elements of the small business impact statement.

Proposed law removes the following as required elements of the small business impact statement:

- (1) An identification and estimate of the number of the small businesses subject to the proposed rule.
- (2) The projected reporting, record keeping, and other administrative costs required for compliance with the proposed rule.
- (3) A statement of the probable effect on impacted small businesses.
- (4) A description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed rule.

Proposed law adds the following as required elements of the business impact statement:

- (1) The name, address, and phone number of the agency.
- (2) The title, date of first publication, and effective date of the proposed rule.
- (3) A description of how the proposed rule changes existing regulations.

- (4) A summary of the circumstances that require the rule.
- (5) A description of whether La. businesses or citizens will be impacted by the proposed rule.
- (6) A statement of whether large or small businesses will be impacted.
- (7) Identification of one business sector from which businesses are expected to be impacted.

Present law defines "small business" as a business that is domiciled in La., employs 100 or fewer full-time employees, and has either gross annual sales are less than \$10 million or a total net worth of less than \$2 million.

Proposed law defines "small business" as a business that is:

- (1) Domiciled or doing business in La.
- (2) For profit or nonprofit.
- (3) Has a number of full-time employees that is less than or equal to the greater of 1,500 or the number of employees that would qualify the business as a small business as defined by the U.S. Small Business Administration.

Present law provides that other elements of a notice of an intended rule-making action are economic and fiscal impact statements. Requires that the agency summarize such statements as to the estimated costs or economic benefits or both to directly affected persons, small businesses, or nongovernmental groups. Proposed law retains present law.

Present law requires that the office of state register electronically transmit the summaries of the economic and fiscal impact statements to the commercial division of the Dept. of State. Proposed law removes present law.

(Amends R.S. 49:953(A)(1)(a)(x) and (I)(1), 978.3(3), (4), and (5), and 978.4; Adds R.S. 49:978.3(6); Repeals R.S. 49:953(E)(3))