

1 AN ACT concerning government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Administrative Procedure Act is
5 amended by changing Section 5-30 as follows:

6 (5 ILCS 100/5-30) (from Ch. 127, par. 1005-30)

7 Sec. 5-30. Regulatory flexibility. When an agency proposes
8 a new rule or an amendment to an existing rule that may have an
9 impact on small businesses, not for profit corporations, or
10 small municipalities, the agency shall do each of the
11 following:

12 (a) The agency shall consider each of the following
13 methods for reducing the impact of the rulemaking on small
14 businesses, not for profit corporations, or small
15 municipalities. The agency shall reduce the impact by
16 utilizing one or more of the following methods if it finds
17 that the methods are legal and feasible in meeting the
18 statutory objectives that are the basis of the proposed
19 rulemaking.

20 (1) Establish less stringent compliance or
21 reporting requirements in the rule for small
22 businesses, not for profit corporations, or small
23 municipalities.

1 (2) Establish less stringent schedules or
2 deadlines in the rule for compliance or reporting
3 requirements for small businesses, not for profit
4 corporations, or small municipalities.

5 (3) Consolidate or simplify the rule's compliance
6 or reporting requirements for small businesses, not
7 for profit corporations, or small municipalities.

8 (4) Establish performance standards to replace
9 design or operational standards in the rule for small
10 businesses, not for profit corporations, or small
11 municipalities.

12 (5) Exempt small businesses, not for profit
13 corporations, or small municipalities from any or all
14 requirements of the rule.

15 (b) Before or during the notice period required under
16 subsection (b) of Section 5-40, the agency shall provide an
17 opportunity for small businesses, not for profit
18 corporations, or small municipalities to participate in
19 the rulemaking process. The agency shall utilize one or
20 more of the following techniques. These techniques are in
21 addition to other rulemaking requirements imposed by this
22 Act or by any other Act.

23 (1) The inclusion in any advance notice of possible
24 rulemaking of a statement that the rule may have an
25 impact on small businesses, not for profit
26 corporations, or small municipalities.

1 (2) The publication of a notice of rulemaking in
2 publications likely to be obtained by small
3 businesses, not for profit corporations, or small
4 municipalities.

5 (3) The direct notification of interested small
6 businesses, not for profit corporations, or small
7 municipalities.

8 (4) The conduct of public hearings concerning the
9 impact of the rule on small businesses, not for profit
10 corporations, or small municipalities.

11 (5) The use of special hearing or comment
12 procedures to reduce the cost or complexity of
13 participation in the rulemaking by small businesses,
14 not for profit corporations, or small municipalities.

15 (c) Prior to the filing for publication in the Illinois
16 Register of any proposed rule or amendment that may have an
17 adverse impact on small businesses, each agency must
18 prepare an economic impact analysis which shall be filed
19 with the proposed rule and publicized in the Illinois
20 Register together with the proposed rule. The economic
21 impact analysis shall include the following:

22 (1) An ~~an~~ identification of the types and estimate
23 of the number of the small businesses subject to the
24 proposed rule or amendment. The agency shall identify
25 the types of businesses subject to the proposed rule
26 using the following 2-digit codes from the North

1 American Industry Classification System (NAICS):

2 11 Agriculture, Forestry, Fishing and Hunting.

3 21 Mining.

4 22 Utilities.

5 23 Construction.

6 31-33 Manufacturing.

7 42 Wholesale Trade.

8 44-45 Retail Trade.

9 48-49 Transportation and Warehousing.

10 51 Information.

11 52 Finance and Insurance.

12 53 Real Estate Rental and Leasing.

13 54 Professional, Scientific, and Technical
14 Services.

15 55 Management of Companies and Enterprises.

16 56 Administrative and Support and Waste
17 Management and Remediation Services.

18 61 Educational Services.

19 62 Health Care and Social Assistance.

20 71 Arts, Entertainment, and Recreation.

21 72 Accommodation and Food Services.

22 81 Other Services (except Public
23 Administration).

24 92 Public Administration.

25 The agency shall also identify the impact of the
26 proposed rule by identifying as many of the following

1 categories that the agency reasonably believes the
2 proposed rule will impact:

3 A. Hiring and additional staffing.

4 B. Regulatory requirements.

5 C. Purchasing.

6 D. Insurance changes.

7 E. Licensing fees.

8 F. Equipment and material needs.

9 G. Training requirements.

10 H. Record keeping.

11 I. Compensation and benefits.

12 J. Other potential impacted categories. †

13 (2) The ~~the~~ projected reporting, recordkeeping,
14 and other administrative costs required for compliance
15 with the proposed rule or amendment, including the type
16 of professional skills necessary for preparation of
17 the report or record. †

18 (3) A ~~a~~ statement of the probable positive or
19 negative economic effect on impacted small businesses.

20 ~~† and~~

21 (4) A ~~a~~ description of any less intrusive or less
22 costly alternative methods of achieving the purpose of
23 the proposed rule or amendment. The alternatives must
24 be consistent with the stated objectives of the
25 applicable statutes and the proposed rulemaking.

26 The Department of Commerce and Economic Opportunity

1 shall place notification of all proposed rules affecting
2 small business on its website. The notification shall
3 include the information provided by the agency under this
4 subsection (c) together with the summary of the proposed
5 rule published by the Joint Committee on Administrative
6 Rules in the Flinn Report.

7 The Business Assistance Office shall prepare an impact
8 analysis of the rule or amendment describing its effect on
9 small businesses whenever the Office believes, in its
10 discretion, that an analysis is warranted or whenever
11 requested to do so by 25 interested persons, an association
12 representing at least 100 interested persons, the
13 Governor, a unit of local government, or the Joint
14 Committee on Administrative Rules. The impact analysis
15 shall be completed before or within the notice period as
16 described in subsection (b) of Section 5-40. Upon
17 completion of any analysis in accordance with this
18 subsection (c), the preparing agency or the Business
19 Assistance Office shall submit the analysis to the Joint
20 Committee on Administrative Rules, to any interested
21 person who requested the analysis, and, if the agency
22 prepared the analysis, to the Business Assistance Office.

23 For purposes of this subsection (c), "small business"
24 means a business with fewer than 50 full-time employees or
25 less than \$4,000,000 in gross annual sales.

26 This subsection does not apply to rules and standards

1 described in paragraphs (1) through (5) of subsection (c)
2 of Section 1-5.

3 (Source: P.A. 96-1448, eff. 1-1-11.)