



93RD GENERAL ASSEMBLY
State of Illinois
2003 and 2004
HB4000

Introduced 1/9/2004, by Carolyn H. Krause

SYNOPSIS AS INTRODUCED:

New Act

Creates the Small Business Regulatory Flexibility Act. Provides that the requirements of this Act are in addition to any requirements of the Illinois Administrative Procedure Act concerning rulemaking by agencies. Provides that if an agency proposes a rule that may affect small businesses, then the agency must consider certain methods for reducing the impact of the rule on small businesses. Provides that the Agency must provide an opportunity for small businesses to participate in the rulemaking process and sets forth methods for doing so. Requires the agency to notify the Director of Commerce and Economic Opportunity and the Small Business Ombudsman if it proposes to adopt, amend, or repeal a rule affecting small businesses. Provides that each agency must, during the 5-year period beginning with January 1, 2005, review the current rules of the agency that were in effect prior to that date and must consider methods of reducing their impact on small business. Effective January 1, 2005.

LRB093 14769 BDD 40323 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning small business regulation.

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

4 Section 1. Short title. This Act may be cited as the Small
5 Business Regulatory Flexibility Act.

6 Section 5. Definitions. In this Act:

7 "Agency" has the definition set forth in Section 1-20 of
8 the Illinois Administrative Procedure Act.

9 "Small business" has the definition set forth in Section
10 1-75 of the Illinois Administrative Procedure Act.

11 Section 10. Scope.

12 (a) The requirements of this Act are in addition to any
13 requirements of the Illinois Administrative Procedure Act
14 concerning rulemaking by agencies.

15 (b) This Act does not apply to rules that are adopted,
16 amended, or repealed under Section 5-45, 5-46.1, or 5-50 of the
17 Illinois Administrative Procedure Act.

18 (c) This Act does not apply to rules that do not affect
19 small businesses directly, including, without limitation,
20 rules relating to county or municipal administration of State
21 and federal programs.

22 Section 15. Rulemaking affecting small businesses.

23 (a) If an agency proposes a rule that may affect small
24 businesses, then the agency must consider each of the following
25 methods for reducing the impact of the rule on small
26 businesses:

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

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

1 small businesses.

2 (3) The consolidation or simplification of compliance
3 or reporting requirements for small businesses.

4 (4) The establishment of performance standards for
5 small businesses to replace design or operational
6 standards required in the rule.

7 (5) The exemption of small businesses from any or all
8 requirements of the rule.

9 (b) The agency must incorporate into the proposed rule any
10 of the methods listed under subsection (a) that it finds to be
11 feasible, unless doing so would be contrary to the statutory
12 objectives that are the basis for the proposed rule.

13 (c) The Agency must provide an opportunity for small
14 businesses to participate in the rulemaking process using one
15 or more of the following methods:

16 (1) The inclusion in the notice under Section 5-40 of
17 the Illinois Administrative Procedure Act of a statement
18 that the rule may impact small businesses.

19 (2) The direct notification to any small business that
20 may be affected by the rule.

21 (3) Public hearings concerning the impact of the rule
22 on small businesses.

23 (4) Special hearing procedures to reduce the cost or
24 complexity of participation by small businesses in the
25 rulemaking process.

26 (d) Prior to the notice under Section 5-40 of the Illinois
27 Administrative Procedure Act, the agency must notify the
28 Director of Commerce and Economic Opportunity and the Small
29 Business Ombudsman that it proposes to adopt, amend, or repeal
30 a rule affecting small businesses.

31 Section 20. Review of existing rules.

32 (a) Each agency must, during the 5-year period beginning
33 with January 1, 2005, review the current rules of the agency
34 that were in effect prior to that date and must consider
35 methods of reducing their impact on small business using the

1 methods listed under subsection (a) of Section 15. If it is
2 feasible to amend any rule to incorporate one of these methods,
3 then the agency must propose an amendment to that rule to
4 incorporate that method, unless doing so would be contrary to
5 the statutory objectives that are the basis for the rule.

6 (b) No review is necessary for any rule that is repealed
7 during that 5-year period.

8 (c) In reviewing its rules, each agency must consult with
9 the Small Business Advisory Commission and the Small Business
10 Ombudsman.

11 Section 99. Effective date. This Act takes effect January
12 1, 2005.