

AN ACT concerning government.

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

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

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

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

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

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

(2) Establish less stringent schedules or deadlines in the rule for compliance or reporting requirements for small

businesses, not for profit corporations, or small municipalities.

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

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

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

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

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

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

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

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

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

(c) Prior to the filing for publication in the Illinois Register of any proposed rule or amendment that may have an adverse impact on small businesses, each agency must prepare an economic impact analysis. The economic impact analysis shall include the following:

(1) an identification of the types and estimate of the number of the small businesses subject to the proposed rule or amendment;

(2) the projected reporting, recordkeeping, and other administrative costs required for compliance with the proposed rule or amendment, including the type of professional skills necessary for preparation of the report or record;

(3) a statement of the probable positive or negative economic effect on impacted small businesses; and

(4) a description of any less intrusive or less costly

alternative methods of achieving the purpose of the proposed rule or amendment. The alternatives must be consistent with the stated objectives of the applicable statutes and the proposed rulemaking.

~~Before the notice period required under subsection (b) of Section 5-40, the Secretary of State shall provide to the Business Assistance Office of the Department of Commerce and Economic Opportunity a copy of any proposed rules or amendments accepted for publication.~~ The Business Assistance Office shall prepare an impact analysis of the rule or amendment describing its ~~the rule's~~ effect on small businesses whenever the Office believes, in its discretion, that an analysis is warranted or whenever requested to do so by 25 interested persons, an association representing at least 100 interested persons, the Governor, a unit of local government, or the Joint Committee on Administrative Rules. The impact analysis shall be completed before or within the notice period as described in subsection (b) of Section 5-40. Upon completion of any ~~the~~ analysis in accordance with this subsection (c), the preparing agency or the Business Assistance Office shall submit the ~~this~~ analysis to the Joint Committee on Administrative Rules, to any interested person who requested the analysis, and, if the agency prepared the analysis, to the Business Assistance Office ~~agency proposing the rule. The impact analysis shall contain the following:~~

This subsection does not apply to rules and standards

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

~~(1) A summary of the projected reporting, recordkeeping, and other compliance requirements of the proposed rule.~~

~~(2) A description of the types and an estimate of the number of small businesses to which the proposed rule will apply.~~

~~(3) An estimate of the economic impact that the regulation will have on the various types of small businesses affected by the rulemaking.~~

~~(4) A description or listing of alternatives to the proposed rule that would minimize the economic impact of the rule. The alternatives must be consistent with the stated objectives of the applicable statutes and regulations.~~

(Source: P.A. 94-793, eff. 5-19-06.)