



# Senate

General Assembly

**File No. 339**

January Session, 2025

Substitute Senate Bill No. 1402

*Senate, March 31, 2025*

The Committee on Commerce reported through SEN. HARTLEY of the 15th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

***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. Subsection (b) of section 4-168a of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective July 1,*  
3 *2025*):

4 (b) Prior to or concomitant with the posting of a notice pursuant to  
5 section 4-168, each agency shall prepare a regulatory flexibility analysis  
6 in which the agency shall identify:

7 (1) The scope and objectives of the proposed regulation;

8 (2) The types of businesses potentially affected by the proposed  
9 regulation;

10 (3) The total number of small businesses potentially subject to the  
11 proposed regulation;

12 (4) Whether small businesses, in order to comply with the proposed  
13 regulation, may be required to: (A) Create, file or issue additional  
14 reports; (B) implement additional recordkeeping procedures, including,  
15 but not limited to, the retention of records for a period of time; (C)  
16 provide additional administrative oversight; (D) hire additional  
17 employees; (E) hire or contract with additional professionals, including,  
18 but not limited to, lawyers, accountants, engineers, auditors or  
19 inspectors; (F) purchase any product or make any capital investment;  
20 (G) conduct additional training, audits or inspections; [or] (H) pay  
21 additional taxes or fees; (I) modify or provide an additional employee  
22 benefit; or (J) modify a product manufactured by the small business or  
23 the packaging of such product;

24 (5) Whether and to what extent the agency communicated with small  
25 businesses or small business organizations in developing the proposed  
26 regulation and the regulatory flexibility analysis, if applicable;

27 (6) Whether and to what extent the proposed regulation provides  
28 alternative compliance methods for small businesses that will  
29 accomplish the objectives of applicable statutes while minimizing  
30 adverse impact on small businesses. Such methods shall be consistent  
31 with public health, safety and welfare and may include, but not be  
32 limited to:

33 (A) The establishment of less stringent compliance or reporting  
34 requirements for small businesses;

35 (B) The establishment of less stringent schedules or deadlines for  
36 compliance or reporting requirements for small businesses;

37 (C) The consolidation or simplification of compliance or reporting  
38 requirements for small businesses;

39 (D) The establishment of performance standards for small businesses  
40 to replace design or operational standards required in the proposed  
41 regulation; and

42 (E) The exemption of small businesses from all or any part of the

43 requirements contained in the proposed regulation.

This act shall take effect as follows and shall amend the following sections:
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Section 1	July 1, 2025	4-168a(b)
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**CE**      *Joint Favorable Subst.*

*The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.*

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### **OFA Fiscal Note**

**State Impact:** None

**Municipal Impact:** None

### **Explanation**

The bill has no fiscal impact by expanding the information that must be included in a regulatory flexibility analysis of regulations that directly affect small businesses. It is anticipated that state agencies will be able to expand their analyses to include the additional components outlined in the bill within existing resources.

### **The Out Years**

**State Impact:** None

**Municipal Impact:** None

**OLR Bill Analysis****sSB 1402*****AN ACT MODIFYING THE REGULATORY FLEXIBILITY ANALYSIS OF REGULATIONS AFFECTING SMALL BUSINESSES.*****SUMMARY**

This bill expands the information that must be included in the regulatory flexibility analysis that agencies must prepare before adopting regulations that directly affect small businesses.

Under the bill, the analysis must include whether small businesses, to comply with the proposed regulation, may be required to (1) retain records for a period of time, (2) change or provide an additional employee benefit, or (3) change a product manufactured by the small business or its packaging. By law, the analysis must already indicate whether small businesses may be required to take other specific actions, including implementing additional recordkeeping procedures, hiring additional employees or professionals, or paying additional taxes and fees.

Generally, these analyses must be prepared by state boards, commissions, departments, or officers authorized by law to make regulations or to determine contested cases. Agencies must include these analyses in any fiscal note they prepare to estimate the proposed regulation's fiscal impact on the state, municipalities, and small businesses.

EFFECTIVE DATE: July 1, 2025

**BACKGROUND*****Regulatory Flexibility Analyses***

Each regulatory flexibility analysis must identify, among other things, (1) the types of businesses potentially affected by the proposed

regulation, (2) the total number of small businesses potentially subject to it, and (3) whether and to what extent the proposed regulation provides alternative compliance methods for small businesses.

Under this law, a “small business” is a business entity that (1) is independently owned and operated and (2) employs fewer than 250 full-time employees or has gross annual sales of less than \$5 million. The agency may define “small business” to include a greater number of full-time employees, up to the applicable federal standard or 500, whichever is less.

### **COMMITTEE ACTION**

Commerce Committee

Joint Favorable Substitute

Yea 20 Nay 0 (03/13/2025)