

Commerce Committee JOINT FAVORABLE REPORT

Bill No.: SB-1402

AN ACT MODIFYING THE REGULATORY FLEXIBILITY ANALYSIS OF

Title: REGULATIONS AFFECTING SMALL BUSINESSES.

Vote Date: 3/13/2025

Vote Action: Joint Favorable Substitute

PH Date: 3/6/2025

File No.:

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SPONSORS OF BILL:

Commerce Committee

REASONS FOR BILL:

Current law requires agencies to prepare a regulatory flexibility analysis which states what small businesses must do in order to comply with a proposed regulation. While this does help small businesses understand the impact of these regulations on them, the analyses are not expansive enough, leaving them confused or overburdened. This bill expands on what must be included in these analyses to ensure that businesses are made fully aware of the impact of potential regulations.

LCO # 6265 – The substitute language removed some of the additional regulatory flexibility analysis requirements that it had initially added. As expressed by the Department of Economic and Community Development, some of the extra requirements may have been too burdensome on the agencies to contemplate, which could have led them to have to hire additional staff.

RESPONSE FROM ADMINISTRATION/AGENCY:

Daniel O'Keefe, Department of Economic and Community Development, Chief Innovative Officer: They described what the bill does and expressed concerns about the section that requires agencies to, prior to adopting any regulations that may adversely impact small business, notify DECD and the Commerce Committee of their intent to do so. The committee and DECD must then advise and assist the agencies in complying with this section of the statute. They are worried that this will require analysis that is outside their normal scope and would require them to hire additional staff, which was not contemplated in the Governor's budget.

NATURE AND SOURCES OF SUPPORT:

Paul Amarone, Public Policy Associate & Advocacy Manager, Connecticut Business & Industry Association: They submitted testimony in **support** of the bill, focusing on how current law often fails to recognize when proposed regulations would have a negative impact on small businesses. They state that many small businesses rely on regulatory standards in their daily operation, and they would benefit greatly from seeing detailed analysis about potential negative impacts new regulations could pose. Finally, they applauded the additions the bill makes to the Regulatory Flexibility Analysis, which they say will increase transparency related to the impact regulations will have on businesses.

Andy Markowski, State Director, National Federation of Independent Business (NFIB): They **support** this bill, touting it as "common sense legislation that provides for a greater level of diligence and clarity" for small businesses. They noted that unreasonable government regulations pose a serious problem for small business owners, with 24% of businesses noting the problem as critical. This bill will result in businesses having a better understanding of the impact of potential regulations, which will help them better prepare for implementation. Finally, they emphasized their willingness to answer any questions or provide additional information by request.

Bruce Dworak, Chris Jewell, Kathy Saint, Jim Gildea, Justin Swanson, Carmen Romeo, Chris Davis, Connecticut Manufacturers' Collaborative: The Connecticut Manufacturers' Collaborative represents over 1,200 manufacturing companies all throughout CT. They expressed their **support** for this legislation, praising its focus on ensuring that businesses are made aware of potential regulations that could have an adverse impact on them. They cited examples of recent regulations that, under current law, would not have triggered notification for DECD but would have under the proposed legislation. They believe it will not only help small businesses understand the implications of forthcoming regulations, it will help state agencies understand as well.

Sara Mendillo, Government Affairs, Middlesex County Chamber of Commerce: They are the largest chamber of commerce in CT with over 2,000 members covering over 50,000 employees. They believe this bill is essential for ensuring future regulations are crafted with greater awareness of their implications. They are in favor of the additional specific items that will be required to be assessed for impact, and they think this bill will foster improved communication with businesses.

Jessica Orlander, President, Connecticut RiverValley Chamber of Commerce: They represent over 550 member companies, and they support the proposed legislation. They believe this bill will significantly help alleviate concerns around unreasonable and burdensome regulations. The regulatory process will be more transparent, and small businesses will more easily gain an understanding of how proposed regulations will affect them. They note that regulations can add substantial costs and/or time requirements to small businesses, and this bill will make ascertaining the specifics of those costs easier.

NATURE AND SOURCES OF OPPOSITION:

None expressed.

Reported by: Alexander Mercier, Clerk

Date: 3/21/2025