
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)