

OFFICE OF LEGISLATIVE RESEARCH
PUBLIC ACT SUMMARY



PA 25-109—sSB 1402

Commerce Committee

**AN ACT MODIFYING THE REGULATORY FLEXIBILITY ANALYSIS
OF REGULATIONS AFFECTING SMALL BUSINESSES**

SUMMARY: This act 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 act, the analysis must include whether small businesses, to comply with the proposed regulation, may be required to (1) keep records for a period of time, (2) change or provide an additional employee benefit, or (3) change a product the small business manufactures 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. 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.

EFFECTIVE DATE: July 1, 2025