

## HOUSE BILL No. 2821

By Committee on Commerce and Labor

2-6

9 AN ACT concerning rules and regulations; relating to small businesses;  
10 establishing the regulatory flexibility act.

11

12 *Be it enacted by the Legislature of the State of Kansas:*

13 Section 1. This act may be cited as the regulatory flexibility act.

14 Sec. 2. (a) For the purposes of this act:

15 (1) "Agency" means each state board, commission, department or  
16 officer authorized by law to make regulations or to determine contested  
17 cases.

18 (2) "Proposed regulation" means a proposal by an agency for a new  
19 regulation or for a change in, addition to or repeal of an existing  
20 regulation.

21 (3) "Regulation" means each agency statement of general applicabil-  
22 ity, without regard to its designation, that implements, interprets, or pre-  
23 scribes law or policy, or describes the organization, procedure or practice  
24 requirements of any agency. The term includes the amendment or repeal  
25 of a prior regulation, but does not include (A) statements concerning only  
26 the internal management of any agency and not affecting private rights  
27 or procedures available to the public, (B) declaratory rulings or (C) in-  
28 traagency or interagency memoranda.

29 (4) "Small business" means a business entity, including its affiliates,  
30 that (A) is independently owned and operated and (B) employs fewer  
31 than 500 full-time employees or has gross annual sales of less than  
32 \$6,000,000.

33 Sec. 3. (a) (1) Prior to the adoption of any proposed regulation that  
34 may have an adverse impact on small businesses, each agency shall pre-  
35 pare an economic impact statement that includes the following:

36 (A) An identification and estimate of the number of the small busi-  
37 nesses subject to the proposed regulation;

38 (B) the projected reporting, recordkeeping and other administrative  
39 costs required for compliance with the proposed regulation, including the  
40 type of professional skills necessary for preparation of the report or  
41 record;

42 (C) a statement of the probable effect on impacted small businesses;  
43 and

1 (D) a description of any less intrusive or less costly alternative meth-  
2 ods of achieving the purpose of the proposed regulation.

3 (2) The economic impact statement required by this section shall be  
4 in addition to, and may be combined with, the economic impact statement  
5 required by K.S.A. 77-416, and amendments thereto.

6 Sec. 4. (a) Prior to the adoption of any proposed regulation on and  
7 after January 1, 2007, each agency shall prepare a regulatory flexibility  
8 analysis in which the agency shall, where consistent with health, safety,  
9 environmental and economic welfare, consider utilizing regulatory meth-  
10 ods that will accomplish the objectives of applicable statutes while mini-  
11 mizing adverse impact on small businesses. The agency shall consider,  
12 without limitation, each of the following methods of reducing the impact  
13 of the proposed regulation on small businesses:

14 (1) The establishment of less stringent compliance or reporting  
15 requirements for small businesses;

16 (2) the establishment of less stringent schedules or deadlines for com-  
17 pliance or reporting requirements for small businesses;

18 (3) the consolidation or simplification of compliance or reporting  
19 requirements for small businesses;

20 (4) the establishment of performance standards for small businesses  
21 to replace design or operational standards required in the proposed reg-  
22 ulation; and

23 (5) the exemption of small businesses from all or any part of the  
24 requirements contained in the proposed regulation.

25 (b) Prior to the adoption of any proposed regulation that may have  
26 an adverse impact on small businesses, each agency shall notify the de-  
27 partment of administration and the attorney general of its intent to adopt  
28 the proposed regulation consistent with the rules and regulations filing  
29 act in K.S.A. 77-415 et seq., and amendments thereto. The department  
30 of administration and the attorney general shall advise and assist agencies  
31 in complying with the provisions of this section.

32 Sec. 5. (a) For any regulation subject to this section, a small business  
33 that is adversely affected or aggrieved by final agency action is entitled to  
34 judicial review of agency compliance with the requirements of this act in  
35 accordance with the Kansas judicial review and civil enforcement of  
36 agency actions act, K.S.A. 77-601 through 77-627, and amendments  
37 thereto.

38 (b) A small business may seek such review during the period begin-  
39 ning on the date of final agency action and ending one year later.

40 Sec. 6. This act shall take effect and be in force from and after its  
41 publication in the statute book.