P3, C8

(5lr1833)

ENROLLED BILL

— Economic Matters and Health and Government Operations/Finance —

Introduced by The Speaker (By Request - Maryland Economic Development and Business Climate Commission) and Delegates Beitzel, Davis, and Jones Jones, Adams, Arentz, Aumann, Barkley, Barron, Branch, Brooks, Carey, Clippinger, Cullison, Fisher, Frick, Glenn, Hammen, Hayes, Hill, S. Howard, Jameson, Kelly, Kipke, Kramer, Krebs, Lisanti, Mautz, McDonough, McMillan, Miele, W. Miller, Morgan, Morhaim, Oaks, Pendergrass, Reznik, Rose, Saab, Sample-Hughes, Valderrama, Vaughn, Waldstreicher, C. Wilson, and K. Young

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of ______ at _____ o'clock, _____M.

Speaker.

CHAPTER

1 AN ACT concerning

$\mathbf{2}$ **Proposed Regulations - Determination of Impact on Small Businesses**

3 FOR the purpose of establishing the Advisory Council on the Impact of Regulations on 4 Small Businesses in the Department of Business and Economic Development; $\mathbf{5}$ providing for the purpose, composition, chair, staffing, and meetings of the Advisory 6 Council; prohibiting a member of the Advisory Council from receiving certain 7 compensation, but authorizing the reimbursement of certain expenses; requiring the 8 Advisory Council to take certain actions and make certain determinations about

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

Strike out indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber/conference committee amendments.



1 proposed regulations; requiring the Advisory Council to submit a certain statement $\mathbf{2}$ of its findings to the Joint Committee on Administrative, Executive, and Legislative 3 Review and the Department of Legislative Services within a certain period of time 4 under certain circumstances; establishing certain duties of the staff of the Advisory Council; requiring promulgating units to provide certain assistance to staff the $\mathbf{5}$ 6 Advisory Council: authorizing the Advisory Council to adopt certain guidelines; 7 requiring the Advisory Council to submit a certain report to the Governor and the 8 General Assembly on or before a certain date each year; requiring promulgating 9 units to submit to the Advisory Council during a certain preliminary review period 10 each proposed regulation and the estimated impact of the regulation on small 11 businesses; requiring promulgating units to take certain actions if the promulgating 12unit estimates that a proposed regulation will have a certain significant small 13 business impact; requiring the AELR Committee and the Department of Legislative 14Services to review certain findings; authorizing a member of the AELR Committee 15to request a hearing under certain circumstances; requiring the AELR Committee to 16 hold a hearing under certain circumstances; authorizing the AELR Committee to 17request that a promulgating unit delay the adoption of a proposed regulation under 18 certain circumstances; encouraging promulgating units to take certain actions 19 during a certain period of time; defining certain terms; making certain conforming 20and stylistic changes; requiring the Maryland Economic Development and Business Climate Commission to examine whether the Advisory Council should consider 2122whether a proposed regulation poses a potential unreasonable burden on consumers: 23specifying the terms of the initial members of the Advisory Council; and generally 24relating to the determination of the impact of proposed regulations on small 25businesses.

26 BY adding to

- 27 Article Economic Development
- Section 3–501 through 3–508 to be under the new subtitle "Subtitle 5. Advisory
 Council on the Impact of Regulations on Small Businesses"
- 30 Annotated Code of Maryland
- 31 (2008 Volume and 2014 Supplement)
- 32 BY repealing and reenacting, with amendments,
- 33 Article State Government
- 34 Section 10–101 and 10–110
- 35 Annotated Code of Maryland
- 36 (2014 Replacement Volume)
- 37 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
 38 That the Laws of Maryland read as follows:
- 39

Article – Economic Development

40 SUBTITLE 5. ADVISORY COUNCIL ON THE IMPACT OF REGULATIONS ON SMALL
 41 BUSINESSES.

1 **3–501.**

2 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS 3 INDICATED.

4 (B) "ADVISORY COUNCIL" MEANS THE ADVISORY COUNCIL ON THE IMPACT 5 OF REGULATIONS ON SMALL BUSINESSES.

6 (C) "AELR COMMITTEE" MEANS THE JOINT COMMITTEE ON 7 ADMINISTRATIVE, EXECUTIVE, AND LEGISLATIVE REVIEW.

8 (D) "REGULATION" HAS THE MEANING STATED IN § 10–101 OF THE STATE 9 GOVERNMENT ARTICLE.

10 (E) "SIGNIFICANT SMALL BUSINESS IMPACT" HAS THE MEANING STATED IN 11 § 10–101 OF THE STATE GOVERNMENT ARTICLE.

12 (F) "SMALL BUSINESS" HAS THE MEANING STATED IN § 2–1505.2 OF THE 13 STATE GOVERNMENT ARTICLE.

14 (G) "UNIT" HAS THE MEANING STATED IN § 10–101 OF THE STATE 15 GOVERNMENT ARTICLE.

16 **3–502.**

17 (A) THERE IS AN ADVISORY COUNCIL ON THE IMPACT OF REGULATIONS ON 18 SMALL BUSINESSES IN THE DEPARTMENT.

19 **(B)** THE PURPOSE OF THE ADVISORY COUNCIL IS TO REVIEW PROPOSED 20 REGULATIONS TO DETERMINE WHETHER A REGULATION POSES A SIGNIFICANT 21 IMPACT ON SMALL BUSINESSES IN MARYLAND.

22 **3–503.**

23 (A) THE ADVISORY COUNCIL CONSISTS OF:

24 (1) THE SECRETARY OR A DESIGNEE OF THE SECRETARY;

25 (2) ONE MEMBER OF THE SENATE OF MARYLAND, APPOINTED BY THE 26 PRESIDENT OF THE SENATE;

27 (3) ONE MEMBER OF THE HOUSE OF DELEGATES, APPOINTED BY THE 28 SPEAKER OF THE HOUSE;

1(4)TWO SMALL BUSINESS OWNERS, ONETHE FOLLOWING FOUR2MEMBERS, TWOAPPOINTED BY THE PRESIDENT OF THE SENATE AND ONETWO3APPOINTED BY THE SPEAKER OF THE HOUSE; AND:

4

(I) TWO SMALL BUSINESS OWNERS;

- 5
- (II) ONE MINORITY BUSINESS ENTERPRISE OWNER; AND

6

(III) ONE WOMEN'S BUSINESS ENTERPRISE OWNER; AND

7 (5) ONE SECRETARY OF A PRINCIPAL DEPARTMENT WITH
8 EXPERIENCE IN THE REGULATORY PROCESS, OR A DESIGNEE OF THE SECRETARY,
9 APPOINTED BY THE GOVERNOR.

10 (B) (1) EXCEPT FOR THE SECRETARY, THE TERM OF A MEMBER IS 2 11 YEARS.

12 (2) THE TERMS OF THE MEMBERS APPOINTED UNDER SUBSECTION
13 (A) OF THIS SECTION ARE STAGGERED AS REQUIRED BY THE TERMS PROVIDED FOR
14 MEMBERS OF THE ADVISORY COUNCIL ON OCTOBER 1, 2015.

15(3) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE UNTIL16A SUCCESSOR IS APPOINTED AND QUALIFIES.

17 (4) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES
 18 ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED AND
 19 QUALIFIES.

20 (C) A MEMBER OF THE ADVISORY COUNCIL:

21 (1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE 22 ADVISORY COUNCIL; BUT

23(2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE24STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

25 (D) THE SECRETARY OR SECRETARY'S DESIGNEE IS CHAIR OF THE 26 ADVISORY COUNCIL.

27 (E) THE DEPARTMENT SHALL PROVIDE STAFF FOR THE ADVISORY 28 COUNCIL.

29 **3–504.**

THE ADVISORY COUNCIL: 1 $\mathbf{2}$ (1) SHALL MEET AT LEAST ONCE ANNUALLY; AND 3 (2) MAY MEET AS OFTEN AS NECESSARY TO: 4 **(I) REVIEW AND APPROVE THE ANNUAL REPORT REQUIRED BY** § 3–508 OF THIS SUBTITLE; AND 56 **(II)** HOLD INFORMATIONAL MEETINGS RELATED TO: 7 1. THE SMALL BUSINESS IMPACT OF A PROPOSED OR 8 EXISTING REGULATION OF INTEREST TO THE ADVISORY COUNCIL; OR 9 2. ANY OTHER MATTER RELATED TO THE EFFECT OF A REGULATION OR THE REGULATORY PROCESS ON SMALL BUSINESSES IN MARYLAND. 10 11 3 - 505.(A) THE ADVISORY COUNCIL SHALL: 1213 REVIEW EACH PROPOSED REGULATION REQUIRED TO BE (1) SUBMITTED TO THE ADVISORY COUNCIL UNDER § 10-110(C) OF THE STATE 14 **GOVERNMENT ARTICLE:** 1516 (2) DETERMINE WHETHER THE PROPOSED REGULATION POSES A 17SIGNIFICANT SMALL BUSINESS IMPACT; 18 (3) PROVIDE AN ESTIMATED RANGE OF COSTS FOR SMALL 19 **BUSINESSES AFFECTED BY THE PROPOSED REGULATION; AND** 20IF THE ADVISORY COUNCIL DETERMINES THAT A PROPOSED (4) 21**REGULATION POSES A SIGNIFICANT SMALL BUSINESS IMPACT, IDENTIFY WHETHER** 22THE PROPOSED REGULATION IS NECESSARY TO COMPLY WITH FEDERAL LAW. 23**(B)** IF A PROPOSED REGULATION ESTABLISHES A STANDARD THAT IS MORE RESTRICTIVE OR STRINGENT THAN AN APPLICABLE STANDARD ESTABLISHED 24UNDER A FEDERAL LAW OR REGULATION THAT GOVERNS THE SAME PROGRAM OR 2526CONDUCT, THE ADVISORY COUNCIL SHALL: 27(1) IDENTIFY THE SPECIFIC MANNER IN WHICH THE PROPOSED 28**REGULATION IS MORE RESTRICTIVE THAN THE APPLICABLE FEDERAL STANDARD;**

 $\mathbf{5}$

1 (2) ESTIMATE THE RANGE OF ADDITIONAL COSTS THAT A SMALL 2 BUSINESS MAY INCUR FROM COMPLIANCE WITH THE MORE RESTRICTIVE 3 STANDARD, AS COMPARED WITH THE COST OF COMPLIANCE WITH A LESS 4 STRINGENT STANDARD THAT COMPLIES WITH FEDERAL LAW;

5 (3) IDENTIFY ALTERNATIVE STANDARDS THAT ARE ADOPTED BY ONE
6 OR MORE STATES, OR OTHER POTENTIAL STANDARDS, THAT ARE LESS RESTRICTIVE
7 BUT COMPLY WITH FEDERAL LAW; AND

8 (4) IDENTIFY THE POTENTIAL BENEFIT TO THE PUBLIC HEALTH, 9 SAFETY OR WELFARE, OR THE ENVIRONMENT, EXPECTED FROM ADOPTING THE 10 PROPOSED REGULATION WITH A MORE RESTRICTIVE STANDARD.

11 (C) IF THE ADVISORY COUNCIL CANNOT FEASIBLY QUANTIFY A RANGE OF 12 COSTS FROM ITS FINDING OF A SIGNIFICANT SMALL BUSINESS IMPACT, THEN THE 13 ADVISORY COUNCIL SHALL DESCRIBE THE ESTIMATED IMPACT OF THE PROPOSED 14 REGULATION OR, IF APPLICABLE, OF THE MORE RESTRICTIVE STANDARD AS 15 COMPARED TO A LESS RESTRICTIVE STANDARD THAT COMPLIES WITH FEDERAL 16 LAW.

(1) 17IF THE ADVISORY COUNCIL FINDS THAT A PROPOSED **(D)** 18 **REGULATION POSES A SIGNIFICANT SMALL BUSINESS IMPACT UNDER THIS SECTION,** 19 THE ADVISORY COUNCIL SHALL SUBMIT A WRITTEN STATEMENT OF ITS FINDINGS 20TO THE AELR COMMITTEE AND THE DEPARTMENT OF LEGISLATIVE SERVICES 21WITHIN 15 DAYS AFTER THE DATE THAT THE ADVISORY COUNCIL RECEIVES THE 22PROPOSED REGULATION UNDER § 10-110(C) OF THE STATE GOVERNMENT 23ARTICLE.

(2) ON NOTICE TO THE AELR COMMITTEE AND THE DEPARTMENT
 OF LEGISLATIVE SERVICES, THE ADVISORY COUNCIL SHALL BE GRANTED UP TO AN
 ADDITIONAL 15 DAYS TO SUBMIT THE WRITTEN STATEMENT OF ITS FINDINGS.

27 **3–506.**

28 (A) THE STAFF OF THE ADVISORY COUNCIL SHALL:

29 (1) REVIEW THE SMALL BUSINESS IMPACT STATEMENT 30 ACCOMPANYING EACH REGULATION PREPARED IN ACCORDANCE WITH § 31 10–110(D)(3) OF THE STATE GOVERNMENT ARTICLE;

32 (2) CONSULT WITH THE AELR COMMITTEE AND THE DEPARTMENT 33 OF LEGISLATIVE SERVICES REGARDING ANY SIGNIFICANT SMALL BUSINESS 34 IMPACTS IDENTIFIED UNDER § 10–110(D)(3) OF THE STATE GOVERNMENT 35 ARTICLE;

6

1 (3) REVIEW PROPOSED REGULATIONS FOR COMPARISONS WITH 2 FEDERAL LAW UNDER § 3–505 OF THIS SUBTITLE AND IDENTIFY ANY SIGNIFICANT 3 SMALL BUSINESS IMPACTS;

4 (4) CONSULT WITH AND TRAIN, AS NECESSARY, STAFF OF THE 5 PROMULGATING UNITS TO ASSIST THE UNITS IN THE PREPARATION OF THE UNIT'S 6 SMALL BUSINESS IMPACT STATEMENTS; AND

7 (5) AS NECESSARY, TESTIFY AT HEARINGS OR MEETINGS CALLED BY
8 THE ADVISORY COUNCIL OR BY THE AELR COMMITTEE UNDER § 10–110(E)(4)(II)
9 OF THE STATE GOVERNMENT ARTICLE.

10(B)THE PROMULGATING UNITS SHALL PROVIDE THE ASSISTANCE OF11SUBJECT MATTER EXPERTS AS NEEDED TO THE STAFF OF THE ADVISORY COUNCIL12TO ENABLE THE STAFF TO CARRY OUT THE ACTIVITIES DESCRIBED IN SUBSECTION13(A) OF THIS SECTION.

14 **3–507.**

15 THE ADVISORY COUNCIL MAY ADOPT GUIDELINES TO ASSIST EACH 16 PROMULGATING UNIT WITH:

17 (1) CONSIDERING THE POTENTIAL IMPACTS OF REGULATIONS ON 18 SMALL BUSINESSES IN THE STATE; AND

19 (2) WRITING SMALL BUSINESS IMPACT STATEMENTS REQUIRED 20 UNDER § 10–110(D)(3) OF THE STATE GOVERNMENT ARTICLE.

21 **3–508.**

(A) THE ADVISORY COUNCIL SHALL REPORT TO THE GOVERNOR AND, IN
 ACCORDANCE WITH § 2–1246 OF THE STATE GOVERNMENT ARTICLE, TO THE
 GENERAL ASSEMBLY ON OR BEFORE DECEMBER 15 OF EACH YEAR.

25 (B) THE REPORT SHALL INCLUDE ANY RECOMMENDATIONS OF THE 26 ADVISORY COUNCIL TO IMPROVE THE SMALL BUSINESS IMPACT REVIEW PROCESS 27 OR THE REGULATORY PROCESS IN A MANNER THAT MAY IMPROVE ECONOMIC 28 COMPETITIVENESS FOR SMALL BUSINESSES IN THE STATE.

29

Article – State Government

30 10–101.

8 HOUSE BILL 939							
1	(a) In this subtitle the following words have the meanings indicated.						
2	2 (b) "Administrator" means the Administrator of the Division of State						
$3 \\ 4 \\ 5$	(C) "Advisory Council" means the Advisory Council on the Impact of Regulations on Small Businesses established under § 3–502 of the Economic Development Article.						
6 7	[(c)] (D) and Legislative R	"Committee" means the Joint Committee on Administrative, Executive, eview.					
8	[(d)] (E) "Loc		al government unit" means:				
9	(1) a cou		nty;				
10	(2) a mu		nicipal corporation;				
$\begin{array}{c} 11 \\ 12 \end{array}$	(3) a special district that is established by State law and that operates within a single county;						
$\begin{array}{c} 13\\14 \end{array}$	(4) a special district that is established by a county pursuant to publi general law; or						
$15 \\ 16 \\ 17$	(5) State law and tha body.	e law and that is funded, pursuant to State law, at least in part by the county governing					
18 19 20	[(e)] (F) "Mandate" means a directive in a regulation that requires a loca government unit to perform a task or assume a responsibility that has a discernible fisca impact on the local government unit.						
21	[(f)] (G)	"Reg	"Register" means the Maryland Register.				
$\begin{array}{c} 22\\ 23 \end{array}$	[(g)] (H) statement that:	(1)	"Regulation" means a statement or an amendment or repeal of a				
24		(i)	has general application;				
25		(ii)	has future effect;				
26		(iii)	is adopted by a unit to:				
27			1. detail or carry out a law that the unit administers;				
28			2. govern organization of the unit;				

1			3.	govern the procedure of the unit; or			
2			4.	govern practice before the unit; and			
3		(iv)	is in	any form, including:			
4			1.	a guideline;			
5			2.	a rule;			
6			3.	a standard;			
7			4.	a statement of interpretation; or			
8			5.	a statement of policy.			
9	(2) "Regulation" does not include:						
10		(i)	a sta	tement that:			
11			1.	concerns only internal management of the unit; and			
$\frac{12}{13}$	2. does not affect directly the rights of the public or the procedures available to the public;						
$\begin{array}{c} 14 \\ 15 \end{array}$	(ii) a response of the unit to a petition for adoption of a regulation, under § 10–123 of this subtitle; or						
$\frac{16}{17}$	statute, under Sub	(iii) otitle 3		claratory ruling of the unit as to a regulation, order, or s title.			
18 19	(3) "Regulation", as used in §§ 10–110 and 10–111.1 of this subtitle, means all or any portion of a regulation.						
20 21 22 23 24	DETERMINATION BY THE ADVISORY COUNCIL THAT A PROPOSED REGULATION IS LIKELY TO HAVE A MEANINGFUL EFFECT ON THE REVENUES OR PROFITS OF A SIGNIFICANT NUMBER OF SMALL BUSINESSES OR A SIGNIFICANT PERCENTAGE OF						
25 26 27 28	(2) "SIGNIFICANT SMALL BUSINESS IMPACT" DOES NOT INCLUDE AN IMPACT RESULTING FROM A PROPOSED REGULATION THAT IS NECESSARY TO COMPLY WITH FEDERAL LAW, UNLESS THE ADVISORY COUNCIL DETERMINES THAT THE REGULATION IS MORE STRINGENT THAN FEDERAL LAW, IN ACCORDANCE WITH						

§ 3–505 of the Economic Development Article.

29

1 (J) "SMALL BUSINESS" HAS THE MEANING STATED IN § 2–1505.2 OF THIS 2 ARTICLE.

3 [(h)] (K) "Substantively" means in a manner substantially affecting the rights, 4 duties, or obligations of:

- 5 (1) a member of a regulated group or profession; or
- 6

a member of the public.

7 [(i)] (L) "Unit" means an officer or unit authorized by law to adopt regulations.

8 10–110.

(2)

9 (a) Except for subsection [(c)] (D) of this section, this section does not apply to a 10 regulation adopted under § 10–111(b) of this subtitle.

11 (b) At least 15 days before the date a proposed regulation is submitted to the 12 Maryland Register for publication under § 10–112 of this subtitle, the promulgating unit 13 shall submit to the State Children's Environmental Health and Protection Advisory 14 Council established under § 13–1503 of the Health – General Article for review any 15 proposed regulations identified by the promulgating unit as having an impact on 16 environmental hazards affecting the health of children.

17 (C) AT LEAST 15 DAYS BEFORE THE DATE A PROPOSED REGULATION IS 18 SUBMITTED TO THE MARYLAND REGISTER FOR PUBLICATION UNDER § 10–112 OF 19 THIS SUBTITLE, THE PROMULGATING UNIT SHALL SUBMIT TO THE ADVISORY 20 COUNCIL ON THE IMPACT OF REGULATIONS ON SMALL BUSINESSES ESTABLISHED 21 UNDER § 3–502 OF THE ECONOMIC DEVELOPMENT ARTICLE FOR REVIEW EACH 22 PROPOSED REGULATION AND THE ESTIMATED IMPACT OF THE PROPOSED 23 REGULATION ON SMALL BUSINESSES IDENTIFIED BY THE PROMULGATING UNIT.

[(c)] (D) (1) At least 15 days before the date a proposed regulation is submitted to the Maryland Register for publication under § 10–112 of this subtitle, the promulgating unit shall submit the proposed regulation to the Committee and the Department of Legislative Services.

(2) (i) If the proposed regulation, either in whole or in part, submitted to the Committee and the Department of Legislative Services in accordance with paragraph (1) of this subsection includes an increase or decrease in a fee for a license to practice any business activity, business or health occupation, or business or health profession licensed or otherwise regulated under State law, the promulgating unit shall include clearly written explanatory reasons that justify the increase or decrease in the fee.

1 (ii) If a regulation submitted under subparagraph (i) of this 2 paragraph proposes an increase in a fee for a license, the written justification also shall 3 include information about:

1. the amount of money needed by the promulgating unit to operate effectively or to eliminate an imbalance between the revenues and expenditures of the unit;

7 2. the most recent year in which the promulgating unit had8 last increased its fees;

9 3. the structure of the promulgating unit as to whether it is 10 one that retains the license fees it receives or passes them through to a national 11 organization or association that creates and administers a uniform licensing examination 12 that is taken by anyone in the United States who is seeking a license to practice a particular 13 occupation or profession or business activity issued by the promulgating unit;

- 14 4. measures taken by the promulgating unit to avoid or
 15 mitigate the necessity of a fee increase and the results of those measures;
- 16 5. special circumstances about the activities and 17 responsibilities of the promulgating unit, including investigations of individuals licensed 18 by the unit, that have had an adverse impact on the unit's operating expenses;
- 19 6. consideration given by the promulgating unit to the 20 hardship a license fee increase may have on individuals and trainees licensed or regulated 21 by the unit; and
- 22 7. actions taken by the promulgating unit to elicit the 23 opinions of the individuals who are licensed by the promulgating unit and the members of 24 the public as to the effectiveness and performance of the promulgating unit.

25(3)IF THE PROMULGATING UNIT ESTIMATES THAT THE PROPOSED26REGULATION WILL HAVE A SIGNIFICANT SMALL BUSINESS IMPACT, THE UNIT SHALL:

27(I)IDENTIFY EACH PROVISION IN THE PROPOSED REGULATION28THAT WILL HAVE A SIGNIFICANT SMALL BUSINESS IMPACT;

29(II) QUANTIFY OR DESCRIBE THE RANGE OF POTENTIAL COSTS30OF THE PROPOSED REGULATION ON SMALL BUSINESSES IN THE STATE;

31 (III) IDENTIFY HOW MANY SMALL BUSINESSES MAY BE IMPACTED
 32 BY THE PROPOSED REGULATION;

1(IV) IDENTIFY ANY ALTERNATIVE PROVISIONS THE UNIT2CONSIDERED THAT MAY HAVE A LESS SIGNIFICANT IMPACT ON SMALL BUSINESSES3IN THE STATE AND THE REASON THE ALTERNATIVE WAS NOT PROPOSED;

4 (V) IDENTIFY THE BENEFICIAL IMPACTS OF THE REGULATION,
5 INCLUDING TO PUBLIC HEALTH, SAFETY, AND WELFARE, OR TO THE ENVIRONMENT;
6 AND

7 (VI) COORDINATE WITH THE ADVISORY COUNCIL NOT LATER 8 THAN THE DATE THE PROPOSED REGULATION IS SUBMITTED TO THE COMMITTEE, 9 THE DEPARTMENT OF LEGISLATIVE SERVICES, AND THE ADVISORY COUNCIL IN 10 ACCORDANCE WITH THIS SECTION.

11 [(d)] (E) (1) The Committee is not required to take any action with respect to 12 a proposed regulation submitted to it pursuant to subsection [(c)] (D) of this section.

13 (2) Failure by the Committee to approve or disapprove the proposed 14 regulation during the period of preliminary review provided by subsection [(c)] (D) of this 15 section may not be construed to mean that the Committee approves or disapproves the 16 proposed regulation.

17 (3) During the preliminary review period, the Committee may take any 18 action relating to the proposed regulation that the Committee is authorized to take under 19 §§ 10–111.1 and 10–112 of this subtitle.

(4) (I) IF THE ADVISORY COUNCIL SUBMITS TO THE COMMITTEE
AND THE DEPARTMENT OF LEGISLATIVE SERVICES A WRITTEN STATEMENT OF ITS
FINDINGS THAT A PROPOSED REGULATION WILL HAVE A SIGNIFICANT SMALL
BUSINESS IMPACT AS REQUIRED BY § 3–505 OF THE ECONOMIC DEVELOPMENT
ARTICLE, THE COMMITTEE AND THE DEPARTMENT OF LEGISLATIVE SERVICES
SHALL REVIEW THE FINDINGS.

(II) AFTER NOTIFICATION THAT A PROPOSED REGULATION
WILL HAVE A SIGNIFICANT SMALL BUSINESS IMPACT, ANY MEMBER OF THE
COMMITTEE MAY REQUEST A HEARING ON THE PROPOSED REGULATION.

- 29 (III) IF A MEMBER REQUESTS A HEARING, THE COMMITTEE:
 30 1. SHALL HOLD A HEARING; AND
- 312. MAY REQUEST THAT THE PROMULGATING UNIT32DELAY ADOPTION OF THE REGULATION.

1 [(e)] (F) Prior to the date specified in subsection [(c)] (D) of this section, the 2 promulgating unit is encouraged to:

3 (1) submit the proposed regulation to the Committee and to consult with 4 the Committee concerning the form and content of that regulation; AND

5 (2) SUBMIT THE PROPOSED REGULATION TO THE ADVISORY 6 COUNCIL AND TO CONSULT WITH THE ADVISORY COUNCIL CONCERNING THE 7 ESTIMATED SMALL BUSINESS IMPACT OF THE REGULATION AND WAYS TO REDUCE 8 THE SMALL BUSINESS IMPACT.

9 SECTION 2. AND BE IT FURTHER ENACTED, That <u>the Maryland Economic</u> 10 <u>Development and Business Climate Commission (Augustine Commission) shall examine</u> 11 <u>whether the Advisory Council on the Impact of Regulations on Small Businesses established</u> 12 <u>by Chapter (H.B. 939) of the Acts of the General Assembly of 2015 should consider</u> 13 <u>whether a proposed regulation poses a potential unreasonable burden on consumers.</u>

14 <u>SECTION 3. AND BE IT FURTHER ENACTED, That</u> the terms of the initial 15 members of the Advisory Council on the Impact of Regulations on Small Businesses shall 16 be as follows:

- 17 (1) two members in 2016;
- 18 (2) two members in 2017; and
- 19 (3) one member in 2018.

20 SECTION 3. <u>4.</u> AND BE IT FURTHER ENACTED, That this Act shall take effect 21 October 1, 2015.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.