

# HOUSE BILL 939

P3, C8

5lr1833  
CF 5lr1831

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By: **The Speaker (By Request – Maryland Economic Development and Business  
Climate Commission) and Delegates Beitzel, Davis, and Jones**

Introduced and read first time: February 13, 2015

Assigned to: Economic Matters and Health and Government Operations

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## A BILL ENTITLED

1 AN ACT concerning

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;  
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  
9 proposed regulations; requiring the Advisory Council to submit a certain statement  
10 of its findings to the Joint Committee on Administrative, Executive, and Legislative  
11 Review and the Department of Legislative Services within a certain period of time  
12 under certain circumstances; establishing certain duties of the staff of the Advisory  
13 Council; authorizing the Advisory Council to adopt certain guidelines; requiring the  
14 Advisory Council to submit a certain report to the Governor and the General  
15 Assembly on or before a certain date each year; requiring promulgating units to  
16 submit to the Advisory Council during a certain preliminary review period each  
17 proposed regulation and the estimated impact of the regulation on small businesses;  
18 requiring promulgating units to take certain actions if the promulgating unit  
19 estimates that a proposed regulation will have a certain significant small business  
20 impact; requiring the AELR Committee and the Department of Legislative Services  
21 to review certain findings; authorizing a member of the AELR Committee to request  
22 a hearing under certain circumstances; requiring the AELR Committee to hold a  
23 hearing under certain circumstances; authorizing the AELR Committee to request  
24 that a promulgating unit delay the adoption of a proposed regulation under certain  
25 circumstances; encouraging promulgating units to take certain actions during a  
26 certain period of time; defining certain terms; making certain conforming and  
27 stylistic changes; specifying the terms of the initial members of the Advisory Council;  
28 and generally relating to the determination of the impact of proposed regulations on  
29 small businesses.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY adding to  
2 Article – Economic Development  
3 Section 3–501 through 3–508 to be under the new subtitle “Subtitle 5. Advisory  
4 Council on the Impact of Regulations on Small Businesses”  
5 Annotated Code of Maryland  
6 (2008 Volume and 2014 Supplement)

7 BY repealing and reenacting, with amendments,  
8 Article – State Government  
9 Section 10–101 and 10–110  
10 Annotated Code of Maryland  
11 (2014 Replacement Volume)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
13 That the Laws of Maryland read as follows:

14 **Article – Economic Development**

15 **SUBTITLE 5. ADVISORY COUNCIL ON THE IMPACT OF REGULATIONS ON SMALL**  
16 **BUSINESSES.**

17 **3–501.**

18 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
19 INDICATED.

20 (B) “ADVISORY COUNCIL” MEANS THE ADVISORY COUNCIL ON THE IMPACT  
21 OF REGULATIONS ON SMALL BUSINESSES.

22 (C) “AELR COMMITTEE” MEANS THE JOINT COMMITTEE ON  
23 ADMINISTRATIVE, EXECUTIVE, AND LEGISLATIVE REVIEW.

24 (D) “REGULATION” HAS THE MEANING STATED IN § 10–101 OF THE STATE  
25 GOVERNMENT ARTICLE.

26 (E) “SIGNIFICANT SMALL BUSINESS IMPACT” HAS THE MEANING STATED IN  
27 § 10–101 OF THE STATE GOVERNMENT ARTICLE.

28 (F) “SMALL BUSINESS” HAS THE MEANING STATED IN § 2–1505.2 OF THE  
29 STATE GOVERNMENT ARTICLE.

30 (G) “UNIT” HAS THE MEANING STATED IN § 10–101 OF THE STATE  
31 GOVERNMENT ARTICLE.

32 **3–502.**

1           **(A) THERE IS AN ADVISORY COUNCIL ON THE IMPACT OF REGULATIONS ON**  
2 **SMALL BUSINESSES IN THE DEPARTMENT.**

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

6 **3-503.**

7           **(A) THE ADVISORY COUNCIL CONSISTS OF:**

8                   **(1) THE SECRETARY OR A DESIGNEE OF THE SECRETARY;**

9                   **(2) ONE MEMBER OF THE SENATE OF MARYLAND, APPOINTED BY THE**  
10 **PRESIDENT OF THE SENATE;**

11                   **(3) ONE MEMBER OF THE HOUSE OF DELEGATES, APPOINTED BY THE**  
12 **SPEAKER OF THE HOUSE;**

13                   **(4) TWO SMALL BUSINESS OWNERS, ONE APPOINTED BY THE**  
14 **PRESIDENT OF THE SENATE AND ONE APPOINTED BY THE SPEAKER OF THE HOUSE;**  
15 **AND**

16                   **(5) ONE SECRETARY OF A PRINCIPAL DEPARTMENT WITH**  
17 **EXPERIENCE IN THE REGULATORY PROCESS, OR A DESIGNEE OF THE SECRETARY,**  
18 **APPOINTED BY THE GOVERNOR.**

19           **(B) (1) EXCEPT FOR THE SECRETARY, THE TERM OF A MEMBER IS 2**  
20 **YEARS.**

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

24                   **(3) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE UNTIL**  
25 **A SUCCESSOR IS APPOINTED AND QUALIFIES.**

26                   **(4) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES**  
27 **ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED AND**  
28 **QUALIFIES.**

29           **(C) A MEMBER OF THE ADVISORY COUNCIL:**

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

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

5           (D) THE SECRETARY OR SECRETARY'S DESIGNEE IS CHAIR OF THE  
6 ADVISORY COUNCIL.

7           (E) THE DEPARTMENT SHALL PROVIDE STAFF FOR THE ADVISORY  
8 COUNCIL.

9 **3-504.**

10           **THE ADVISORY COUNCIL:**

11           (1) SHALL MEET AT LEAST ONCE ANNUALLY; AND

12           (2) MAY MEET AS OFTEN AS NECESSARY TO:

13                   (I) REVIEW AND APPROVE THE ANNUAL REPORT REQUIRED BY  
14 § 3-508 OF THIS SUBTITLE; AND

15                   (II) HOLD INFORMATIONAL MEETINGS RELATED TO:

16                           1. THE SMALL BUSINESS IMPACT OF A PROPOSED OR  
17 EXISTING REGULATION OF INTEREST TO THE ADVISORY COUNCIL; OR

18                           2. ANY OTHER MATTER RELATED TO THE EFFECT OF A  
19 REGULATION OR THE REGULATORY PROCESS ON SMALL BUSINESSES IN MARYLAND.

20 **3-505.**

21           (A) THE ADVISORY COUNCIL SHALL:

22                   (1) REVIEW EACH PROPOSED REGULATION REQUIRED TO BE  
23 SUBMITTED TO THE ADVISORY COUNCIL UNDER § 10-110(C) OF THE STATE  
24 GOVERNMENT ARTICLE;

25                   (2) DETERMINE WHETHER THE PROPOSED REGULATION POSES A  
26 SIGNIFICANT SMALL BUSINESS IMPACT;

1           **(3) PROVIDE AN ESTIMATED RANGE OF COSTS FOR SMALL**  
2 **BUSINESSES AFFECTED BY THE PROPOSED REGULATION; AND**

3           **(4) IF THE ADVISORY COUNCIL DETERMINES THAT A PROPOSED**  
4 **REGULATION POSES A SIGNIFICANT SMALL BUSINESS IMPACT, IDENTIFY WHETHER**  
5 **THE PROPOSED REGULATION IS NECESSARY TO COMPLY WITH FEDERAL LAW.**

6           **(B) IF A PROPOSED REGULATION ESTABLISHES A STANDARD THAT IS MORE**  
7 **RESTRICTIVE OR STRINGENT THAN AN APPLICABLE STANDARD ESTABLISHED**  
8 **UNDER A FEDERAL LAW OR REGULATION THAT GOVERNS THE SAME PROGRAM OR**  
9 **CONDUCT, THE ADVISORY COUNCIL SHALL:**

10           **(1) IDENTIFY THE SPECIFIC MANNER IN WHICH THE PROPOSED**  
11 **REGULATION IS MORE RESTRICTIVE THAN THE APPLICABLE FEDERAL STANDARD;**

12           **(2) ESTIMATE THE RANGE OF ADDITIONAL COSTS THAT A SMALL**  
13 **BUSINESS MAY INCUR FROM COMPLIANCE WITH THE MORE RESTRICTIVE**  
14 **STANDARD, AS COMPARED WITH THE COST OF COMPLIANCE WITH A LESS**  
15 **STRINGENT STANDARD THAT COMPLIES WITH FEDERAL LAW;**

16           **(3) IDENTIFY ALTERNATIVE STANDARDS THAT ARE ADOPTED BY ONE**  
17 **OR MORE STATES, OR OTHER POTENTIAL STANDARDS, THAT ARE LESS RESTRICTIVE**  
18 **BUT COMPLY WITH FEDERAL LAW; AND**

19           **(4) IDENTIFY THE POTENTIAL BENEFIT TO THE PUBLIC HEALTH,**  
20 **SAFETY OR WELFARE, OR THE ENVIRONMENT, EXPECTED FROM ADOPTING THE**  
21 **PROPOSED REGULATION WITH A MORE RESTRICTIVE STANDARD.**

22           **(C) IF THE ADVISORY COUNCIL CANNOT FEASIBLY QUANTIFY A RANGE OF**  
23 **COSTS FROM ITS FINDING OF A SIGNIFICANT SMALL BUSINESS IMPACT, THEN THE**  
24 **ADVISORY COUNCIL SHALL DESCRIBE THE ESTIMATED IMPACT OF THE PROPOSED**  
25 **REGULATION OR, IF APPLICABLE, OF THE MORE RESTRICTIVE STANDARD AS**  
26 **COMPARED TO A LESS RESTRICTIVE STANDARD THAT COMPLIES WITH FEDERAL**  
27 **LAW.**

28           **(D) (1) IF THE ADVISORY COUNCIL FINDS THAT A PROPOSED**  
29 **REGULATION POSES A SIGNIFICANT SMALL BUSINESS IMPACT UNDER THIS SECTION,**  
30 **THE ADVISORY COUNCIL SHALL SUBMIT A WRITTEN STATEMENT OF ITS FINDINGS**  
31 **TO THE AELR COMMITTEE AND THE DEPARTMENT OF LEGISLATIVE SERVICES**  
32 **WITHIN 15 DAYS AFTER THE DATE THAT THE ADVISORY COUNCIL RECEIVES THE**  
33 **PROPOSED REGULATION UNDER § 10-110(C) OF THE STATE GOVERNMENT**  
34 **ARTICLE.**

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

4 **3-506.**

5           **THE STAFF OF THE ADVISORY COUNCIL SHALL:**

6           **(1) REVIEW THE SMALL BUSINESS IMPACT STATEMENT**  
7 **ACCOMPANYING EACH REGULATION PREPARED IN ACCORDANCE WITH §**  
8 **10-110(D)(3) OF THE STATE GOVERNMENT ARTICLE;**

9           **(2) CONSULT WITH THE AELR COMMITTEE AND THE DEPARTMENT**  
10 **OF LEGISLATIVE SERVICES REGARDING ANY SIGNIFICANT SMALL BUSINESS**  
11 **IMPACTS IDENTIFIED UNDER § 10-110(D)(3) OF THE STATE GOVERNMENT**  
12 **ARTICLE;**

13           **(3) REVIEW PROPOSED REGULATIONS FOR COMPARISONS WITH**  
14 **FEDERAL LAW UNDER § 3-505 OF THIS SUBTITLE AND IDENTIFY ANY SIGNIFICANT**  
15 **SMALL BUSINESS IMPACTS;**

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

19           **(5) AS NECESSARY, TESTIFY AT HEARINGS OR MEETINGS CALLED BY**  
20 **THE ADVISORY COUNCIL OR BY THE AELR COMMITTEE UNDER § 10-110(E)(4)(II)**  
21 **OF THE STATE GOVERNMENT ARTICLE.**

22 **3-507.**

23           **THE ADVISORY COUNCIL MAY ADOPT GUIDELINES TO ASSIST EACH**  
24 **PROMULGATING UNIT WITH:**

25           **(1) CONSIDERING THE POTENTIAL IMPACTS OF REGULATIONS ON**  
26 **SMALL BUSINESSES IN THE STATE; AND**

27           **(2) WRITING SMALL BUSINESS IMPACT STATEMENTS REQUIRED**  
28 **UNDER § 10-110(D)(3) OF THE STATE GOVERNMENT ARTICLE.**

29 **3-508.**

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

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

8 Article – State Government

9 10–101.

10 (a) In this subtitle the following words have the meanings indicated.

11 (b) “Administrator” means the Administrator of the Division of State Documents.

12 (C) “ADVISORY COUNCIL” MEANS THE ADVISORY COUNCIL ON THE IMPACT  
13 OF REGULATIONS ON SMALL BUSINESSES ESTABLISHED UNDER § 3-502 OF THE  
14 ECONOMIC DEVELOPMENT ARTICLE.

15 [(c)] (D) “Committee” means the Joint Committee on Administrative, Executive,  
16 and Legislative Review.

17 [(d)] (E) “Local government unit” means:

18 (1) a county;

19 (2) a municipal corporation;

20 (3) a special district that is established by State law and that operates  
21 within a single county;

22 (4) a special district that is established by a county pursuant to public  
23 general law; or

24 (5) an office, board, or department that is established in each county under  
25 State law and that is funded, pursuant to State law, at least in part by the county governing  
26 body.

27 [(e)] (F) “Mandate” means a directive in a regulation that requires a local  
28 government unit to perform a task or assume a responsibility that has a discernible fiscal  
29 impact on the local government unit.

30 [(f)] (G) “Register” means the Maryland Register.

1            **[(g)] (H)**    (1)    “Regulation” means a statement or an amendment or repeal of a  
2 statement that:

3                            (i)    has general application;

4                            (ii)   has future effect;

5                            (iii) is adopted by a unit to:

6                                    1.    detail or carry out a law that the unit administers;

7                                    2.    govern organization of the unit;

8                                    3.    govern the procedure of the unit; or

9                                    4.    govern practice before the unit; and

10                           (iv) is in any form, including:

11                                    1.    a guideline;

12                                    2.    a rule;

13                                    3.    a standard;

14                                    4.    a statement of interpretation; or

15                                    5.    a statement of policy.

16                           (2)    “Regulation” does not include:

17                                    (i)    a statement that:

18    1.    concerns only internal management of the unit; and

19    2.    does not affect directly the rights of the public or the  
20 procedures available to the public;

21                                    (ii)   a response of the unit to a petition for adoption of a regulation,  
22 under § 10–123 of this subtitle; or

23                                    (iii) a declaratory ruling of the unit as to a regulation, order, or  
24 statute, under Subtitle 3 of this title.

25                           (3)    “Regulation”, as used in §§ 10–110 and 10–111.1 of this subtitle, means  
26 all or any portion of a regulation.



1           **(I) (1) “SIGNIFICANT SMALL BUSINESS IMPACT” MEANS A**  
2 **DETERMINATION BY THE ADVISORY COUNCIL THAT A PROPOSED REGULATION IS**  
3 **LIKELY TO HAVE A MEANINGFUL EFFECT ON THE REVENUES OR PROFITS OF A**  
4 **SIGNIFICANT NUMBER OF SMALL BUSINESSES OR A SIGNIFICANT PERCENTAGE OF**  
5 **SMALL BUSINESSES WITHIN A SINGLE INDUSTRY IN THE STATE.**

6           **(2) “SIGNIFICANT SMALL BUSINESS IMPACT” DOES NOT INCLUDE AN**  
7 **IMPACT RESULTING FROM A PROPOSED REGULATION THAT IS NECESSARY TO**  
8 **COMPLY WITH FEDERAL LAW, UNLESS THE ADVISORY COUNCIL DETERMINES THAT**  
9 **THE REGULATION IS MORE STRINGENT THAN FEDERAL LAW, IN ACCORDANCE WITH**  
10 **§ 3-505 OF THE ECONOMIC DEVELOPMENT ARTICLE.**

11           **(J) “SMALL BUSINESS” HAS THE MEANING STATED IN § 2-1505.2 OF THIS**  
12 **ARTICLE.**

13           **[(h)] (K) “Substantively” means in a manner substantially affecting the rights,**  
14 **duties, or obligations of:**

15                   (1) a member of a regulated group or profession; or

16                   (2) a member of the public.

17           **[(i)] (L) “Unit” means an officer or unit authorized by law to adopt regulations.**  
18 **10-110.**

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

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

27           **(C) AT LEAST 15 DAYS BEFORE THE DATE A PROPOSED REGULATION IS**  
28 **SUBMITTED TO THE MARYLAND REGISTER FOR PUBLICATION UNDER § 10-112 OF**  
29 **THIS SUBTITLE, THE PROMULGATING UNIT SHALL SUBMIT TO THE ADVISORY**  
30 **COUNCIL ON THE IMPACT OF REGULATIONS ON SMALL BUSINESSES ESTABLISHED**  
31 **UNDER § 3-502 OF THE ECONOMIC DEVELOPMENT ARTICLE FOR REVIEW EACH**  
32 **PROPOSED REGULATION AND THE ESTIMATED IMPACT OF THE PROPOSED**  
33 **REGULATION ON SMALL BUSINESSES IDENTIFIED BY THE PROMULGATING UNIT.**

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

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

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

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

17                                    2.    the most recent year in which the promulgating unit had  
18 last increased its fees;

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

24                                    4.    measures taken by the promulgating unit to avoid or  
25 mitigate the necessity of a fee increase and the results of those measures;

26                                    5.    special circumstances about the activities and  
27 responsibilities of the promulgating unit, including investigations of individuals licensed  
28 by the unit, that have had an adverse impact on the unit's operating expenses;

29                                    6.    consideration given by the promulgating unit to the  
30 hardship a license fee increase may have on individuals and trainees licensed or regulated  
31 by the unit; and

32                                    7.    actions taken by the promulgating unit to elicit the  
33 opinions of the individuals who are licensed by the promulgating unit and the members of  
34 the public as to the effectiveness and performance of the promulgating unit.

35                    **(3)    IF THE PROMULGATING UNIT ESTIMATES THAT THE PROPOSED**  
36 **REGULATION WILL HAVE A SIGNIFICANT SMALL BUSINESS IMPACT, THE UNIT SHALL:**

1                   **(I) IDENTIFY EACH PROVISION IN THE PROPOSED REGULATION**  
2 **THAT WILL HAVE A SIGNIFICANT SMALL BUSINESS IMPACT;**

3                   **(II) QUANTIFY OR DESCRIBE THE RANGE OF POTENTIAL COSTS**  
4 **OF THE PROPOSED REGULATION ON SMALL BUSINESSES IN THE STATE;**

5                   **(III) IDENTIFY HOW MANY SMALL BUSINESSES MAY BE IMPACTED**  
6 **BY THE PROPOSED REGULATION;**

7                   **(IV) IDENTIFY ANY ALTERNATIVE PROVISIONS THE UNIT**  
8 **CONSIDERED THAT MAY HAVE A LESS SIGNIFICANT IMPACT ON SMALL BUSINESSES**  
9 **IN THE STATE AND THE REASON THE ALTERNATIVE WAS NOT PROPOSED;**

10                   **(V) IDENTIFY THE BENEFICIAL IMPACTS OF THE REGULATION,**  
11 **INCLUDING TO PUBLIC HEALTH, SAFETY, AND WELFARE, OR TO THE ENVIRONMENT;**  
12 **AND**

13                   **(VI) COORDINATE WITH THE ADVISORY COUNCIL NOT LATER**  
14 **THAN THE DATE THE PROPOSED REGULATION IS SUBMITTED TO THE COMMITTEE,**  
15 **THE DEPARTMENT OF LEGISLATIVE SERVICES, AND THE ADVISORY COUNCIL IN**  
16 **ACCORDANCE WITH THIS SECTION.**

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

19           (2) Failure by the Committee to approve or disapprove the proposed  
20 regulation during the period of preliminary review provided by subsection **[(c)] (D)** of this  
21 section may not be construed to mean that the Committee approves or disapproves the  
22 proposed regulation.

23           (3) During the preliminary review period, the Committee may take any  
24 action relating to the proposed regulation that the Committee is authorized to take under  
25 §§ 10–111.1 and 10–112 of this subtitle.

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

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

1                   **(III) IF A MEMBER REQUESTS A HEARING, THE COMMITTEE:**

2                   **1. SHALL HOLD A HEARING; AND**

3                   **2. MAY REQUEST THAT THE PROMULGATING UNIT**  
4 **DELAY ADOPTION OF THE REGULATION.**

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

7           **(1)** submit the proposed regulation to the Committee and to consult with  
8 the Committee concerning the form and content of that regulation; **AND**

9           **(2) SUBMIT THE PROPOSED REGULATION TO THE ADVISORY**  
10 **COUNCIL AND TO CONSULT WITH THE ADVISORY COUNCIL CONCERNING THE**  
11 **ESTIMATED SMALL BUSINESS IMPACT OF THE REGULATION AND WAYS TO REDUCE**  
12 **THE SMALL BUSINESS IMPACT.**

13           SECTION 2. AND BE IT FURTHER ENACTED, That the terms of the initial  
14 members of the Advisory Council on the Impact of Regulations on Small Businesses shall  
15 be as follows:

16           (1) two members in 2016;

17           (2) two members in 2017; and

18           (3) one member in 2018.

19           SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
20 October 1, 2015.