



Larry Hogan | Governor  
Boyd Rutherford | Lt. Governor  
Kelly M. Schulz | Secretary of Commerce

**Date:** March 10, 2020  
**BILL NO.:** Senate Bill 720  
**TITLE:** Regulations Affecting Small Businesses – Certification of Comparable Local Regulations  
**COMMITTEE:** Senate Education, Health, and Environmental Affairs

### Statement of Information

Senate Bill 720 authorizes Executive Branch agencies to allow compliance with a local regulation to constitute compliance with a State regulation if an agency certifies that a local regulation is at least as stringent as a proposed State regulation. This authorization only applies to proposed regulations determined to have a significant economic impact on small businesses.

Chapter 212 of 2019 established several new requirements for Executive Branch agencies when promulgating regulations determined to have an economic impact on small businesses. These requirements include:

- Posting proposed regulations determined to affect small businesses to their website for at least 15 days prior to their submission to the Joint Committee on Administrative, Executive, and Legislative Review (AELR);
- Allowing small businesses, trade associations, non-profits or other interested parties to register in an electronic registry to receive notification when proposed regulations affecting small businesses are posted to an agency's website; and
- Allowing small businesses, trade associations, non-profits, or other interested parties to comment on proposed regulations prior to their submission to AELR.

The proposed amendment to Senate Bill 720 clarifies that Executive Branch agencies are not required to research all local regulations when promulgating regulations determined to have an economic impact on small businesses. Under the proposed amendment, Executive Branch agencies would have to certify if a local regulation is at least as stringent as a State regulation only if an agency becomes aware of a local regulation during the new comment period established by Chapter 212 of 2019.

If an Executive Branch agency learns from the public comment period prior to submission to AELR that small businesses are subject to a local regulation comparable to a proposed State regulation, then the agency would have to certify if the local regulation is at least as stringent as the proposed State regulation. However, allowing compliance with a local regulation to constitute compliance with the State regulation is at the discretion of Executive Branch agencies.