

Amend CSHB 3430 (committee printing) by adding the following appropriately numbered SECTIONS to read as follows and renumbering subsequent SECTIONS appropriately:

SECTION \_\_. Subdivisions (2) and (3), Section 2006.001, Government Code, are amended to read as follows:

(2) "Small business" means a legal entity, including a corporation, partnership, or sole proprietorship, that:

(A) is formed for the purpose of making a profit;

(B) is independently owned and operated; and

(C) has fewer than 100 employees or less than \$6 [~~\$1~~] million in annual gross receipts.

(3) "State agency" means a department, board, bureau, commission, division, office, council, or other agency of the state and includes an officer who is authorized by law to determine contested cases.

SECTION \_\_\_\_. Section 2006.002, Government Code, is amended by amending Subsections (c) and (d) and adding Subsections (c-1) and (g) to read as follows:

(c) Before adopting a rule that may [~~would~~] have an adverse economic effect on small businesses, a state agency shall prepare:

(1) an economic impact statement that estimates the number of small businesses subject to the proposed rule, projects the economic impact of the rule on small businesses, and describes alternative methods of achieving the purpose of the proposed rule; and

(2) a regulatory flexibility analysis that includes the agency's consideration of alternative methods of achieving the purpose of the proposed rule.

(c-1) The analysis under Subsection (c) shall consider, if consistent with the health, safety, and environmental and economic welfare of the state, using regulatory methods that will accomplish the objectives of applicable rules while minimizing adverse impacts on small businesses. The state agency must include in the analysis several proposed methods of reducing the adverse impact of a proposed rule on a small business [~~a statement of the effect of the rule on small businesses. The statement must include:~~

~~[(1) an analysis of the cost of compliance with the~~

~~rule for small businesses; and~~

~~[(2) a comparison of the cost of compliance for small businesses with the cost of compliance for the largest businesses affected by the rule, using at least one of the following standards:~~

~~[(A) cost for each employee;~~

~~[(B) cost for each hour of labor; or~~

~~[(C) cost for each \$100 of sales].~~

(d) The agency shall include the economic impact statement and regulatory flexibility analysis ~~[statement of effect]~~ as part of the notice of the proposed rule that the agency files with the secretary of state for publication in the Texas Register and shall provide copies to the standing committee of each house of the legislature that is charged with reviewing the proposed rule.

(g) The attorney general, in consultation with the comptroller, shall prepare guidelines to assist a state agency:

(1) in determining a proposed rule's potential adverse economic effects on small businesses; and

(2) in identifying and evaluating alternative methods of achieving the purpose of a proposed rule.

SECTION \_\_. Section 2006.002, Government Code, as amended by this Act, applies only to a rule that is adopted on or after January 1, 2008. A rule adopted before that date is governed by the law in effect when the rule was adopted, and the former law is continued in effect for that purpose.