

BILL ANALYSIS

Senate Research Center
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H.B. 3433
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Agriculture, Water & Rural Affairs
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Interested parties contend that state agencies should give serious consideration to the impact that the adoption of an agency rule will have on rural communities in Texas. H.B. 3433 seeks to protect these vulnerable economies by requiring a state agency considering adoption of a rule that would have an adverse economic effect on certain municipalities to reduce that effect if doing so is legal and feasible.

H.B. 3433 amends the Government Code to make provisions relating to the adoption of rules with adverse economic effect applicable to small businesses or micro-businesses also applicable to municipalities with a population of less than 25,000. The bill requires a state agency considering adoption of a rule that would have an adverse economic effect on such a rural community to provide the notice of the proposed rule that the agency files with the secretary of state, including the economic impact statement and regulatory flexibility analysis, to each member of the legislature who represents such a rural community adversely impacted by a proposed rule, if feasible. The bill applies its provisions only to a state agency rule proposed on

H.B. 3433 amends current law relating to the adoption by state agencies of rules affecting rural communities.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to state agencies is modified throughout this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends the heading to Chapter 2006, Government Code, to read as follows:

CHAPTER 2006. AGENCY ACTIONS AFFECTING SMALL BUSINESSES AND RURAL COMMUNITIES

SECTION 2. Amends Section 2006.001, Government Code, by adding Subdivision (1-a) to define "rural community."

SECTION 3. Amends Sections 2006.002(a), (b), (c), (c-1), (d), and (g), Government Code, as follows:

(a) Requires a state agency considering adoption of a rule that would have an adverse economic effect on small businesses, micro-businesses, or rural communities, rather than an adverse economic effect on small businesses or micro-businesses, to reduce that effect if doing so is legal and feasible considering the purpose of the statute under which the rule is to be adopted.

(b) Authorizes an agency, to reduce an adverse effect on small businesses and rural communities, as applicable, rather than on small businesses, to:

(1) establish separate compliance or reporting requirements for small businesses and rural communities, rather than for small businesses;

(2) use performance standards in place of design standards for small businesses and rural communities, rather than for small businesses; or

(3) exempt small businesses and rural communities, rather than exempt small businesses, from all or part of the rule.

(c) Requires a state agency, before adopting a rule that may have an adverse economic effect on small businesses or rural communities, as applicable, rather than an adverse economic effect on small businesses, to prepare:

(1) an economic impact statement that estimates the number of small businesses or rural communities subject to the proposed rule, projects the economic impact of the rule on small businesses or rural communities, rather than 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) makes no changes to this subdivision.

(c-1) Requires that the analysis under Subsection (c) 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 or rural communities, as applicable, rather than adverse impacts on small businesses. Requires the state agency to include in the analysis several proposed methods of reducing the adverse impact of a proposed rule on a small business or rural community, rather than on a small business.

(d) Requires the agency to include the economic impact statement and regulatory flexibility analysis 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 to provide copies to:

(1) creates this subdivision from existing text and makes no further changes to this subdivision; and

(2) if feasible, each member of the legislature who represents a rural community adversely impacted by the proposed rule.

(g) Requires the Texas attorney general, in consultation with the Texas comptroller of public accounts, to prepare guidelines to assist a state agency:

(1) in determining a proposed rule's potential adverse economic effects on small businesses and rural communities, as applicable, rather than adverse economic effects on small businesses; and

(2) makes no changes to this subdivision.

SECTION 4. Makes application of Subchapter A, Chapter 2006, Government Code, as amended by this Act, prospective.

SECTION 5. Effective date: September 1, 2017.