

1-1 By: Lambert, et al. (Senate Sponsor - Perry) H.B. No. 3433  
1-2 (In the Senate - Received from the House May 10, 2017;  
1-3 May 12, 2017, read first time and referred to Committee on  
1-4 Agriculture, Water & Rural Affairs; May 17, 2017, reported  
1-5 favorably by the following vote: Yeas 7, Nays 0; May 17, 2017, sent  
1-6 to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			

1-16 A BILL TO BE ENTITLED  
1-17 AN ACT

1-18 relating to the adoption by state agencies of rules affecting rural  
1-19 communities.

1-20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-21 SECTION 1. The heading to Chapter 2006, Government Code, is  
1-22 amended to read as follows:

1-23 CHAPTER 2006. AGENCY ACTIONS AFFECTING SMALL BUSINESSES AND RURAL  
1-24 COMMUNITIES

1-25 SECTION 2. Section 2006.001, Government Code, is amended by  
1-26 adding Subdivision (1-a) to read as follows:

1-27 (1-a) "Rural community" means a municipality with a  
1-28 population of less than 25,000.

1-29 SECTION 3. Sections 2006.002(a), (b), (c), (c-1), (d), and  
1-30 (g), Government Code, are amended to read as follows:

1-31 (a) A state agency considering adoption of a rule that would  
1-32 have an adverse economic effect on small businesses, ~~or~~  
1-33 micro-businesses, or rural communities shall reduce that effect if  
1-34 doing so is legal and feasible considering the purpose of the  
1-35 statute under which the rule is to be adopted.

1-36 (b) To reduce an adverse effect on small businesses and  
1-37 rural communities, as applicable, an agency may:

1-38 (1) establish separate compliance or reporting  
1-39 requirements for small businesses and rural communities;

1-40 (2) use performance standards in place of design  
1-41 standards for small businesses and rural communities; or

1-42 (3) exempt small businesses and rural communities from  
1-43 all or part of the rule.

1-44 (c) Before adopting a rule that may have an adverse economic  
1-45 effect on small businesses or rural communities, as applicable, a  
1-46 state agency shall prepare:

1-47 (1) an economic impact statement that estimates the  
1-48 number of small businesses or rural communities subject to the  
1-49 proposed rule, projects the economic impact of the rule on small  
1-50 businesses or rural communities, and describes alternative methods  
1-51 of achieving the purpose of the proposed rule; and

1-52 (2) a regulatory flexibility analysis that includes  
1-53 the agency's consideration of alternative methods of achieving the  
1-54 purpose of the proposed rule.

1-55 (c-1) The analysis under Subsection (c) shall consider, if  
1-56 consistent with the health, safety, and environmental and economic  
1-57 welfare of the state, using regulatory methods that will accomplish  
1-58 the objectives of applicable rules while minimizing adverse impacts  
1-59 on small businesses or rural communities, as applicable. The state  
1-60 agency must include in the analysis several proposed methods of  
1-61 reducing the adverse impact of a proposed rule on a small business

2-1 or rural community.

2-2 (d) The agency shall include the economic impact statement  
2-3 and regulatory flexibility analysis as part of the notice of the  
2-4 proposed rule that the agency files with the secretary of state for  
2-5 publication in the Texas Register and shall provide copies to:

2-6 (1) the standing committee of each house of the  
2-7 legislature that is charged with reviewing the proposed rule; and

2-8 (2) if feasible, each member of the legislature who  
2-9 represents a rural community adversely impacted by the proposed  
2-10 rule.

2-11 (g) The attorney general, in consultation with the  
2-12 comptroller, shall prepare guidelines to assist a state agency:

2-13 (1) in determining a proposed rule's potential adverse  
2-14 economic effects on small businesses and rural communities, as  
2-15 applicable; and

2-16 (2) in identifying and evaluating alternative methods  
2-17 of achieving the purpose of a proposed rule.

2-18 SECTION 4. Subchapter A, Chapter 2006, Government Code, as  
2-19 amended by this Act, applies only to a rule proposed by a state  
2-20 agency on or after the effective date of this Act. A rule proposed  
2-21 before that date is governed by the law in effect on the date the  
2-22 rule was proposed, and the former law is continued in effect for  
2-23 that purpose.

2-24 SECTION 5. This Act takes effect September 1, 2017.

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