



2.1 (3) two public members appointed by the governor;

2.2 (4) four members of the senate appointed by the senate Subcommittee on  
2.3 Committees of the Committee on Rules and Administration; and

2.4 (5) four members of the house of representatives appointed by the speaker of the  
2.5 house of representatives.

2.6 (b) Legislative members appointed to the board shall include the chairs of the  
2.7 legislative committees with jurisdiction over jobs and economic development or their  
2.8 designees, one member from the majority party of the senate, two members from the  
2.9 minority party of the senate, one member from the majority party of the house of  
2.10 representatives, and two members from the minority party of the house of representatives.

2.11 (c) Public members shall be representatives of small businesses, as either an owner  
2.12 of a small business or as a member of a small business trade organization. At least two  
2.13 public members must reside outside of the seven-county metropolitan area as defined  
2.14 in section 473.121.

2.15 (d) The first meeting of the board shall be convened by the chair of the Legislative  
2.16 Coordinating Commission no later than December 1, 2012. Members shall elect a chair.  
2.17 The chair may convene meetings as necessary to conduct the duties prescribed by sections  
2.18 14.1291 to 14.1295.

2.19 Subd. 3. **Terms, compensation, removal, and vacancies.** The terms, compensation,  
2.20 and removal of board members, and filling of vacancies on the board are governed by  
2.21 section 15.0575.

2.22 Subd. 4. **Consultation with state agencies.** The board shall consult with a  
2.23 commissioner of a state agency or a commissioner's designee to find creative, innovative,  
2.24 or flexible solutions to make an agency's proposed or existing rule less burdensome on  
2.25 small businesses.

2.26 Sec. 4. **[14.1293] BOARD REVIEW; REPORT AND RECOMMENDATIONS.**

2.27 Subdivision 1. **Board review.** (a) The board shall review all rules submitted to the  
2.28 board as required under section 14.1294, and reports submitted under section 14.1295 to  
2.29 determine whether a proposed rule or existing statute, law, or rule creates an unnecessary  
2.30 burden on small businesses by, including, but not limited to, the following:

2.31 (1) creating a barrier to the formation, operation, or expansion of small businesses;

2.32 (2) increasing the cost of conducting business; or

2.33 (3) requiring additional compliance or reporting requirements.

2.34 (b) If the board determines that a proposed rule or existing statute, law, or rule places  
2.35 an unnecessary burden on small businesses, it shall issue a report and recommendations to:

3.1 (1) the agency with jurisdictional authority of the proposed rule or existing statute,  
3.2 law, or rule;

3.3 (2) the chairs of the house of representatives and senate committees having  
3.4 jurisdiction over the agency; and

3.5 (3) the Legislative Coordinating Commission, as necessary, to carry out the  
3.6 provisions of section 3.842.

3.7 Subd. 2. **Rule adoption.** The standing committees of the house of representatives  
3.8 and senate with jurisdiction over the subject matter of a proposed rule may follow the  
3.9 procedures in section 14.126 when, upon review of the report and recommendations from  
3.10 the board, the committees vote that a proposed rule should not be adopted as proposed.

3.11 **Sec. 5. [14.1294] IMPACT ON SMALL BUSINESSES.**

3.12 (a) An agency proposing a new rule, or an amendment to an existing rule, affecting  
3.13 small businesses shall:

3.14 (1) consider methods for reducing the impact of the rule on small businesses,  
3.15 including, but not limited to, less stringent reporting requirements, reduced fees,  
3.16 simplification of compliance, or exemption for small businesses from any or all  
3.17 requirements of the rule; and

3.18 (2) submit a proposed rule having an economic impact on small businesses to the  
3.19 board on the same day the proposed rule is submitted for publication in the State Register.

3.20 (b) An agency submitting a rule to the board shall include, along with the rule, a  
3.21 statement detailing the considerations made for lessening the impact of the rule on small  
3.22 businesses.

3.23 **Sec. 6. [14.1295] ANNUAL REVIEW; REPORT.**

3.24 Beginning in fiscal year 2012, each agency shall annually review the current statutes,  
3.25 laws, and rules of the agency and shall consider methods of reducing their impact on small  
3.26 businesses as provided under section 14.1294. If a method appears feasible, the agency  
3.27 shall propose an amendment to the statute, law, or rule, and submit the proposal to the  
3.28 board for consideration. By December 31 each year, each agency shall submit a report to  
3.29 the board, including any proposal and confirmation that a review has been conducted.

3.30 **Sec. 7. SUNSET.**

3.31 This act expires on June 30, 2016.

3.32 **Sec. 8. EFFECTIVE DATE.**

4.1 Sections 1 to 7 are effective the day following final enactment.