

SENATE
STATE OF MINNESOTA
EIGHTY-SEVENTH LEGISLATURE

S.F. No. 1614

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DATE	D-PG	OFFICIAL STATUS
01/30/2012	3670	Introduction and first reading Referred to Jobs and Economic Growth
02/02/2012	3711	Author added DeKruif
02/08/2012	3720a	Comm report: To pass as amended and re-refer to State Government Innovation and Veterans
02/23/2012	3881a	Comm report: To pass as amended and re-refer to Finance

1.1 A bill for an act
1.2 relating to job creation; creating a small business regulatory review board;
1.3 providing legislative appointments; requiring an annual review and report;
1.4 proposing coding for new law in Minnesota Statutes, chapter 14.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. **[14.129] CITATION.**

1.7 Sections 14.1291 to 14.1295 shall be cited as the "Small Business Regulatory Relief
1.8 Act."

1.9 Sec. 2. **[14.1291] CREATION AND PURPOSE.**

1.10 The Small Business Regulatory Review Board is created in the legislative branch to:
1.11 (1) review proposed rules or revisions to existing rules to determine the impact of
1.12 the proposal or revision on small businesses; and
1.13 (2) examine existing statutes, laws, or rules that impact small businesses and
1.14 recommend any changes that would make the existing statutes, laws, or rules more
1.15 efficient and cost-effective for small businesses.

1.16 Sec. 3. **[14.1292] SMALL BUSINESS REGULATORY REVIEW BOARD.**

1.17 Subdivision 1. **Definitions.** For purposes of sections 14.1291 to 14.1295, "small
1.18 business" has the meaning given in section 645.445.

1.19 Subd. 2. **Membership.** (a) The Small Business Regulatory Review Board consists
1.20 of 14 members, including:

1.21 (1) two public members appointed by the speaker of the house of representatives;

2.1 (2) two public members appointed by the senate Subcommittee on Committees of
2.2 the Committee on Rules and Administration;

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

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

2.6 (5) four members of the house of representatives appointed by the speaker of the
2.7 house of representatives.

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

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

2.17 (d) The first meeting of the board shall be convened by the chair of the Legislative
2.18 Coordinating Commission no later than December 1, 2012. Members shall elect a chair.
2.19 The chair may convene meetings as necessary to conduct the duties prescribed by sections
2.20 14.1291 to 14.1295.

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

2.23 Subd. 4. **Compensation.** Board members shall serve without compensation.

2.24 Subd. 5. **Consultation with state agencies.** The board shall consult with a
2.25 commissioner of a state agency or a commissioner's designee to find creative, innovative,
2.26 or flexible solutions to make an agency's proposed rule or existing statute, law, or rule less
2.27 burdensome on small businesses.

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

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

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

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

2.35 (3) requiring additional compliance or reporting requirements.

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

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

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

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

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

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

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

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

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

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

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

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

3.32 Sec. 7. **SUNSET.**

3.33 This act expires on June 30, 2016.

4.1 Sec. 8. **EFFECTIVE DATE.**

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