

HB 2334 -1 STAFF MEASURE SUMMARY

House Committee On Economic Recovery and Prosperity

Prepared By: Wenzel Cummings, LPRO Analyst

Meeting Dates: 3/11, 4/8

WHAT THE MEASURE DOES:

Requires an agency that adopts, amends, or suspends an administrative rule, without notice or with abbreviated notice, to prepare a statement considering any significant economic effect of the action on businesses. Requires the prepared statement to include a cost of compliance effect on small businesses that are adversely affected by the rule. Specifies how the agency must reduce the economic impact on small business, including through different compliance or reporting requirements or exemptions for small business. Applies to notices of intended action issued on or after the effective date.

ISSUES DISCUSSED:

- Impact of administrative rulemaking on businesses
- Balance of costs and benefits of rulemaking
- Agency methods of calculation to determine impact on small businesses

EFFECT OF AMENDMENT:

-1 Requires the prepared statement considering any significant economic effect of the action on small businesses to include a finding as to whether the rule will have a significant adverse effect upon small business. Requires the agency, if the statement includes a finding of significant adverse effect, and to the extent consistent with the public health and safety purposes of the rule, to reduce the economic impact of the rule on small businesses, including through different compliance or reporting requirements or exemptions for small business.

BACKGROUND:

Under ORS 183.335, agencies must provide notice of intended action prior to the adoption, amendment, or repeal of any administrative rule. The notice must include a statement of fiscal impact, describing any significant economic effect on small businesses affected. Agencies may adopt, amend, or repeal a rule without notice or with abbreviated notice if the agency prepares several specified statements that do not include any significant economic effect on small business.

House Bill 2334 requires agencies that adopt, amend, or repeal a rule without notice or with abbreviated notice to prepare a statement considering any significant economic effect on businesses, including a cost of compliance effect on small businesses affected.