



# Ohio Legislative Service Commission

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## Bill Analysis

Phil Mullin

### H.B. 311

128th General Assembly  
(As Introduced)

**Reps.** McGregor and Balderson, Zehringer, Gardner, Hall, Mecklenborg, Snitchler, Wagner, Hite, Combs, Wachtmann, Morgan, R. Adams, Oelslager, Huffman, Boose, Lehner, Hottinger, Amstutz, Blair, Beck

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## BILL SUMMARY

- Repeals the current small business rule review process that requires a rule-making agency that proposes a rule affecting small businesses to file the rule and a rule summary and fiscal analysis with the Department of Development's Office of Small Business as part of the formal rule-making process.
- Creates a new small business rule review process that instead requires the rule-making agency to put a new rule, or the amendment or rescission of an existing rule, that "may have any adverse impact on small businesses" through the new small business rule review process before the rule-making agency files the rule to commence the formal rule-making process.
- Requires revised versions of rules to be put through the new small business rule review process.
- For purposes of the new small business rule review process, defines a small business as one having fewer than 500 employees.
- Requires the rule-making agency to conduct a cost-benefit analysis by weighing specific factors designated in the bill, and a regulatory flexibility analysis of how methods specified in the bill might reduce a rule's adverse impact on small businesses, and to prepare a cost-benefit report that describes the results of the cost-benefit analysis and a regulatory flexibility report that describes the results of the regulatory flexibility analysis.

- Renames the Manager of the Office of Small Business as the Ohio Small Business Ombudsperson and creates the Small Business Regulatory Review Board, each of which has duties under the new small business rule review process.
- Requires the rule-making agency to file the full text of the rule and its two reports with the Ombudsperson, who, in turn, must cause the rule and the cost-benefit and regulatory flexibility reports to be published in the *Register of Ohio* for 30 days, during which time period persons may comment to the Ombudsperson regarding any adverse impact the rule may have on small businesses.
- Requires the Ombudsperson to compile a report of the comments received not later than three days after the day the comment period closes, to cause the report to be published in the *Register of Ohio*, and to file the report with the rule-making agency that filed the rule and with the Small Business Regulatory Review Board.
- Provides that the Board may, but is not required to, hold a meeting within 30 days after receiving the Ombudsperson's report to determine whether the rule-making agency that filed the rule complied with the new small business rule review process.
- Provides that the Board may conduct a public hearing on the rule after causing notice of the hearing to be published in the *Register of Ohio* at least seven days before the hearing.
- Authorizes the Board to issue to the rule-making agency that filed the rule a determination of compliance, or a determination of noncompliance, depending on whether the rule-making agency complied with the new small business rule review process, and to cause the determination to be published in the *Register of Ohio*.
- If the rule-making agency ultimately files the rule with the Joint Committee on Agency Rule Review, requires the rule-making agency to also file the Board's determination, the Ombudsperson's report, and the cost-benefit and regulatory flexibility reports.
- Authorizes the Joint Committee on Agency Rule Review to recommend legislative invalidation of a proposed rule if a rule-making agency does not properly comply with the new small business rule review process.
- Expands the duties of the Office of Small Business and the new Ombudsperson with regard to evaluating the effect of rules on small businesses and otherwise assisting small businesses in complying with regulatory requirements, including the new small business rule review process.

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## HISTORY

ACTION

DATE

Introduced

10-13-09

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