

Chapter 898

H.B. No. 3433

AN ACT

relating to the adoption by state agencies of rules affecting rural communities.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

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

CHAPTER 2006. AGENCY ACTIONS AFFECTING SMALL BUSINESSES AND RURAL COMMUNITIES

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

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

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

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

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

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

(2) use performance standards in place of design

1 standards for small businesses and rural communities; or

2 (3) exempt small businesses and rural communities from
3 all or part of the rule.

4 (c) Before adopting a rule that may have an adverse economic
5 effect on small businesses or rural communities, as applicable, a
6 state agency shall prepare:

7 (1) an economic impact statement that estimates the
8 number of small businesses or rural communities subject to the
9 proposed rule, projects the economic impact of the rule on small
10 businesses or rural communities, and describes alternative methods
11 of achieving the purpose of the proposed rule; and

12 (2) a regulatory flexibility analysis that includes
13 the agency's consideration of alternative methods of achieving the
14 purpose of the proposed rule.

15 (c-1) The analysis under Subsection (c) shall consider, if
16 consistent with the health, safety, and environmental and economic
17 welfare of the state, using regulatory methods that will accomplish
18 the objectives of applicable rules while minimizing adverse impacts
19 on small businesses or rural communities, as applicable. The state
20 agency must include in the analysis several proposed methods of
21 reducing the adverse impact of a proposed rule on a small business
22 or rural community.

23 (d) The agency shall include the economic impact statement
24 and regulatory flexibility analysis as part of the notice of the
25 proposed rule that the agency files with the secretary of state for
26 publication in the Texas Register and shall provide copies to:

27 (1) the standing committee of each house of the

1 legislature that is charged with reviewing the proposed rule; and
2 (2) if feasible, each member of the legislature who
3 represents a rural community adversely impacted by the proposed
4 rule.

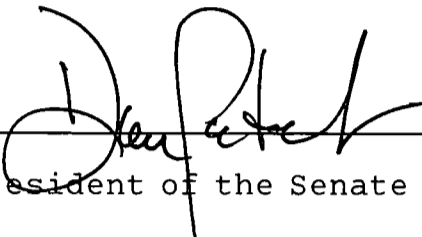
5 (g) The attorney general, in consultation with the
6 comptroller, shall prepare guidelines to assist a state agency:

7 (1) in determining a proposed rule's potential adverse
8 economic effects on small businesses and rural communities, as
9 applicable; and

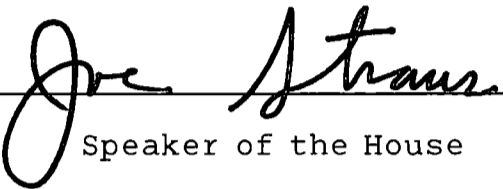
10 (2) in identifying and evaluating alternative methods
11 of achieving the purpose of a proposed rule.

12 SECTION 4. Subchapter A, Chapter 2006, Government Code, as
13 amended by this Act, applies only to a rule proposed by a state
14 agency on or after the effective date of this Act. A rule proposed
15 before that date is governed by the law in effect on the date the
16 rule was proposed, and the former law is continued in effect for
17 that purpose.

18 SECTION 5. This Act takes effect September 1, 2017.

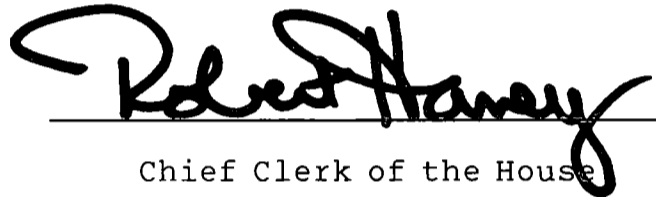


President of the Senate



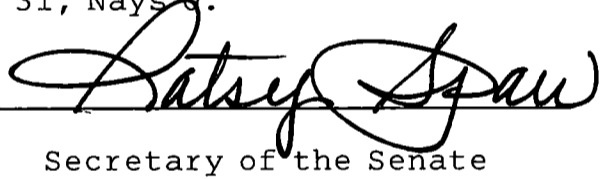
Speaker of the House

I certify that H.B. No. 3433 was passed by the House on May 9, 2017, by the following vote: Yeas 142, Nays 3, 2 present, not voting.



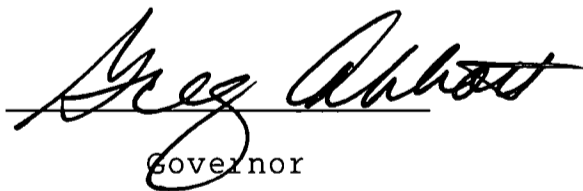
Chief Clerk of the House

I certify that H.B. No. 3433 was passed by the Senate on May 19, 2017, by the following vote: Yeas 31, Nays 0.

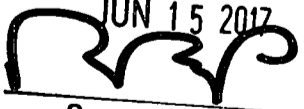


Secretary of the Senate

APPROVED: 6-10-2017
Date



Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
3 PM O'CLOCK
JUN 15 2017


Secretary of State

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 15, 2017

TO: Honorable Charles Perry, Chair, Senate Committee on Agriculture, Water & Rural Affairs

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3433 by Lambert (Relating to the adoption by state agencies of rules affecting rural communities.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would require a state agency that is considering adopting a rule that would adversely affect a rural community, defined as a municipality with a population of 25,000 or less, to reduce that effect if doing so is legal and feasible. A state agency would be required to prepare an economic impact statement, prior to adopting a rule that may have an adverse economic effect on a rural community, that estimates the number of rural communities subject to the proposed rule, projects the economic impact of the rule on rural communities, and describes alternative methods of achieving the purpose of the proposed rule.

Local Government Impact

According to the Texas Municipal League, the fiscal impact to municipalities is not anticipated to be significant.

Source Agencies: 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 307 Secretary of State, 313 Department of Information Resources, 320 Texas Workforce Commission, 360 State Office of Administrative Hearings, 529 Health and Human Services Commission, 551 Department of Agriculture, 582 Commission on Environmental Quality

LBB Staff: UP, SZ, CL, JJ, BRi, MSO, EK, TBo, ASa, JSm, JGA

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 26, 2017

TO: Honorable Angie Chen Button, Chair, House Committee on Economic & Small Business Development

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3433 by Lambert (Relating to the adoption by state agencies of rules affecting rural communities.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would require a state agency that is considering adopting a rule that would adversely affect a rural community, defined as a municipality with a population of 25,000 or less, to reduce that effect if doing so is legal and feasible. A state agency would be required to prepare an economic impact statement, prior to adopting a rule that may have an adverse economic effect on a rural community, that estimates the number of rural communities subject to the proposed rule, projects the economic impact of the rule on rural communities, and describes alternative methods of achieving the purpose of the proposed rule.

Local Government Impact

According to the Texas Municipal League, the fiscal impact to municipalities is not anticipated to be significant.

Source Agencies: 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 307 Secretary of State, 313 Department of Information Resources, 320 Texas Workforce Commission, 360 State Office of Administrative Hearings, 529 Health and Human Services Commission, 551 Department of Agriculture, 582 Commission on Environmental Quality

LBB Staff: UP, CL, JJ, BRi, MSO, EK, TBo, ASa, JSm, JGA