

1 AN ACT

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

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

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

7 CHAPTER 2006. AGENCY ACTIONS AFFECTING SMALL BUSINESSES AND RURAL  
8 COMMUNITIES

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

11 (1-a) "Rural community" means a municipality with a  
12 population of less than 25,000.

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

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

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

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

24 (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.

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President of the Senate

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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.

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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.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor