

PROBLEM

According to NFIB's most recent Small Business Economic Trends survey, "government requirements and red tape" was the number one answer when NFIB members were asked to identify the single biggest problem facing their business.

Small businesses spend nearly \$12,000 per employee per year to comply with federal regulations - 30 percent more than it costs large companies.

Despite enactment of the Regulatory Flexibility Act (RFA) in 1980, and its amending laws, more needs to be done to ensure small businesses are adequately represented in the regulatory process.

SOLUTION

The Small Business Regulatory Flexibility Improvements Act

According to the U.S. Small Business Administration's Office of Advocacy, the RFA saved small businesses at least \$4.8 billion in compliance costs in fiscal year 2014. Strengthening and expanding the RFA to better address small business concerns would yield even greater economic benefits.

H.R. 527

- Introduced by House Small Business Committee Chairman Steve Chabot (R-OH)
- Passed the House on February 5, 2015 by a vote of 260-163
- NFIB Key Vote

S. 1536

- Introduced by Senate Small Business Committee Chairman David Vitter (R-LA)
- Awaiting action in the Senate Homeland Security Committee

SUMMARY

The Small Business Regulatory Flexibility Improvements Act is a targeted regulatory reform bill that would provide small businesses much needed relief from burdensome, one-size-fits-all, federal regulations.

The legislation would modernize the RFA to require federal agencies to conduct comprehensive analyses of the potential impacts that regulations have on small businesses. Specifically, the legislation:

- Requires government regulators to include the indirect impact of regulations in their assessment of a regulation's impact on small businesses.
- Gives small businesses a greater voice in the rulemaking process by expanding the small business advocacy review panel process to all agencies.
- Clarifies the standard for periodic review of rules by federal agencies and provides the SBA Office of Advocacy increased input into agency compliance with the RFA.