

SENATE BILL 736

By Watson

AN ACT to amend Tennessee Code Annotated, Title 4,  
Chapter 5, relative to the Uniform Administrative  
Procedures Act.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 4, Chapter 5, Part 2, is amended by adding the following as a new section:

(a) For purposes of this section, "small business" means a business with one hundred (100) or fewer employees.

(b) Prior to filing a rule or regulation with the secretary of state under § 4-5-206, an agency shall submit an estimate to the members of the government operations committees of the senate and the house of representatives. The estimate must include:

(1) The total compliance and implementation costs incurred by all small businesses within the state, if any, affected by the rule or regulation, over a three-year period that begins on the effective date of the rule or regulation;

(2) The number of small businesses affected by the rule or regulation;

(3) Any assumptions and reasoning upon which the estimate is based;

and

(4) All information used in determining the estimate.

(c) The agency shall not promulgate the rule or regulation if the estimated total compliance and implementation costs over a three-year period that begins on the effective date of the rule or regulation are equal to or greater than three million dollars (\$3,000,000), unless there is authorizing legislation or a germane modification to the proposed rule or regulation to reduce costs below the three-million-dollar threshold.

(d) This section does not apply to:

- (1) Institutions of postsecondary and higher education, created in title 49;
- (2) Emergency rules promulgated under § 4-5-208; or
- (3) Rules or regulations required by federal mandate.

SECTION 2. If any provision of this act or its application to any person or circumstance is held invalid, then the invalidity shall not affect other provisions or applications of the act that can be given effect without the invalid provision or application, and to that end the provisions of this act shall be severable.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.