

# VINCE FONG

MEMBER FOR THE 34TH ASSEMBLY DISTRICT



## FACT SHEET

### AB 2 – Small Business Relief from Regulation

#### IN BRIEF

Assembly Bill 2 seeks to improve the state's business climate by requiring all major regulations (cost impact of \$50 million or more) proposed by state agencies to be reviewed by the state legislature.

AB 2 would also require state agencies to review and amend duplicative and out of date regulations to promote efficient implementation and enforcement of state law.

#### BACKGROUND & ISSUE

The Administrative Procedure Act requires state agencies and the Office of Administrative Law to review regulations and consider their impacts on California's economy and business community. Currently, major regulations are classified as having an economic impact of more than \$50 million.

However, current law does not require individual agencies to review and update superfluous regulations. Inconsistent, duplicative, and outdated rules only worsen the effects of the repeated shutdowns as individuals and businesses struggle to adhere to potentially conflicting laws.

The COVID-19 pandemic and subsequent mandated shutdowns have decimated California's business community and left millions unemployed. With many businesses struggling to remain open, state agencies should take concerted action to reduce unnecessary regulatory barriers that put businesses at greater risk of closure and stifle our economy.

#### SOLUTION

AB 2 proposes a greater role for state agencies in identifying, reviewing, and correcting the regulations they promulgate.

Specifically, AB 2 would require state agencies to review their regulations, identify any that are duplicative, overlapping, inconsistent, or out of date, and adopt, amend, or repeal regulations to reconcile any identified issues.

To maintain the input of the public, agencies must also hold at least one public hearing to accept public comment on the proposed regulatory revisions.

AB 2 would also require Office of Administrative Law to submit any major regulation to the Legislature for review to determine the appropriateness of the high price proposed regulation and whether the cost impact is aligned with the intent of the policies passed by the Legislature.

Each state agency must also notify the appropriate policy and fiscal committees of the Legislature of the proposed revisions. The agencies must then report to the Legislature and Governor on the results of their actions.

AB 2 would ensure regulations are efficient, accurate, and reflect today's economy, so businesses across the state can operate safely while getting Californians back to work.

#### SUPPORT

Pending

#### CONTACT

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