WEST VIRGINIA CODE CHAPTER 8 ARTICLE 41

WV Legislature

§8-41-1. Short title.

This article may be cited as the Small Business Protection Act.

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§8-41-2. Intent and legislative findings.

(a) It is the legislative intent and purpose of the Small Business Protection Act to improve state rulemaking by creating procedures to analyze the availability of more flexible regulatory approaches for small businesses.

(b) The legislature finds that:

(1) A vibrant and growing small business sector is critical to creating jobs in a dynamic economy. Increased hiring in West Virginia's small businesses creates higher wages and better outcomes for West Virginia's citizens and families;

(2) Small businesses bear a disproportionate share of regulatory costs and burdens. Increased regulatory costs decrease the amount of capital that small businesses have to create new jobs;

(3) Fundamental changes that are needed in the regulatory and enforcement culture of state agencies to make them more responsive to small business can be made without compromising the statutory missions of the agencies;

(4) When adopting rules to protect the health, safety, and economic welfare of West Virginia, state agencies should seek to achieve statutory goals as effectively and efficiently as possible without imposing unnecessary burdens on small employers;

(5) Uniform regulatory and reporting requirements can impose unnecessary and disproportionately burdensome demands, including legal, accounting, and consulting costs upon small businesses with limited resources;

(6) The failure to recognize differences in the scale and resources of regulated businesses can adversely affect competition in the marketplace, discourage innovation, and restrict improvements in productivity;

(7) Unnecessary regulations create entry barriers in many industries and discourage potential entrepreneurs from introducing beneficial products and processes;

(8) The practice of treating all regulated businesses as equivalent may lead to inefficient use of regulatory agency resources, enforcement problems, and, in some cases, to actions inconsistent with the legislative intent of health, safety, environmental, and economic welfare legislation;

(9) Alternative regulatory approaches which do not conflict with the stated objective of applicable statutes may be available to minimize the significant economic impact of rules on small businesses;

(10) Prior to the adoption of regulations, the process by which state regulations are developed and adopted should be reformed to require agencies to solicit the ideas and

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comments of small businesses, to examine the impact of proposed and existing rules on such businesses, and to review the continued need for existing rules;

(11) Regulations affect small businesses differently than their larger counterparts. According to the United States Small Business Administration, evidence indicates that regulatory requirements at the federal and state level tend to create disproportionately heavier burdens for small businesses, putting them at a disadvantage relative to their larger competitors. Reasons that small businesses are at a disadvantage include the following:

(A) The cost of regulations is higher relative to available resources. The cost of regulations per employee is higher for businesses with fewer employees; and

(B) The cost per employee for the smallest businesses is typically one or more times greater than the equivalent cost for the largest businesses.

(12) Making small businesses aware of proposed state regulations prior to implementation is key to creating an effective partnership between state agencies and small businesses.

(c) Nothing in the Small Business Protection Act shall be interpreted or construed to limit the ability of an agency to propose rules.

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