

Office of Regulatory Reform: Period Two Regulatory Look Back Report

Report to Governor Lincoln D. Chafee
and the Rhode Island General Assembly
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Rhode Island Office of Management and Budget

Department of Administration, One Capitol Hill, Providence, RI 02908

401-574-8430

ABSTRACT

This report reviews the cumulative findings and recommendations to date as of Period Two of Rhode Island's regulatory reform initiative.

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EXECUTIVE SUMMARY

Creating an environment in Rhode Island where small businesses can grow and thrive is vital to the health of our state economy. Small businesses consistently cite overly burdensome regulations as a key impediment to their success. In order to identify, streamline, and minimize the adverse impact of regulations on the small business community, the Office of Management and Budget's (OMB) Office of Regulatory Reform (ORR) is coordinating a comprehensive review of over 1,600 state regulations, under the direction of Governor Lincoln D. Chafee.

ORR's Period Two findings on the reform process are consistent with those from Period One. Overall, reform efforts have continued to advance. Entities have identified 71 regulations to either repeal or modify. In addition, entities have proposed a potential "built-in" small business accommodation for 16 regulations. ORR's Period Two meetings with various regulatory entities and small businesses have further informed how to proceed with and enhance reform efforts. One result is a new small business impact model, outlined in this report. ORR will deploy this model, which will result in more accurate impact figures, beginning in Period Three. This report also provides updates on recommendations and key figures from Period One.

A clear, predictable, and reliable regulatory system requires an effective and consistent legislative foundation. Thus, ORR's Period Two recommendations address Rhode Island's rulemaking and review processes. Since "getting the process right" is important for successful reform, the new recommendations are focused on legislative amendments, including:

- reducing statutory exemptions to allow for an expanded review,
- providing a definition for "what a regulation is and isn't" to increase clarity,
- clarifying responsibilities for maintaining and reforming to ensure success, and
- synchronizing the incongruent review and refile processes for efficiency.

In Period Three, ORR will continue to meet with more entities and business groups, to open up further dialogue to improve Rhode Island's regulatory climate. In addition, ORR continues to learn more strategies that entities can deploy to quantify regulatory costs, which will result in higher-quality data. ORR is sharing these strategies, as well as the new small business impact model, with entities during Period Three and Four.

Regulatory reform is a complex issue. Bringing together disparate parties to work on common issues is not without its challenges. There is more work to be done, but we are making progress. ORR remains committed to realizing the vision of a clear, predictable, and reliable regulatory system in Rhode Island, and to reviewing the state's existing regulations in the accelerated manner called for by Governor Chafee.

KEY FIGURES FOR PERIOD TWO:

Data Element	Period One	Period Two	Cumulative
Regulations submitted for review	837	252	1,089

As of Period Two, ORR has received 1,089 regulations, or 66.2 percent of the 1,646 total regulations on file with the Rhode Island Secretary of State. Of the 1,089, 187 (17.2 percent) were exempt from review; these were submitted voluntarily by 6 fully exempt and 9 partially exempt entities. ORR has thus received 902 non-exempt regulations as of Period Two.

Regulations with small business impact	235	164	399
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ORR identified 399 (44.2 percent of 902) regulations with small business impact, as of Period Two. The top impacts on small business are audit, inspection, and enforcement activities (30.3 percent of the 399). Nine regulations, or 2.3 percent of 399, were reviewed with direct input from small businesses.

Note that in this report, ORR presents a more comprehensive small business impact model. Impacts may increase under this new model, which ORR will begin using in Period Three.

Regulations to be maintained without change	780	238	1,018
Regulations identified for amendment	45	12	57
Regulations identified for repeal	12	2	14

Entities have recommended to maintain 1,018 (93.5 percent of 1,089 received) of their regulations. Entities have identified 71 regulations (6.5 percent of 1,089) for amendment or repeal. Of these, 38 have small business impact (9.5 percent of 399 with small business impact).

Potential accommodations for small business	11	5	16
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Entities have identified 16 regulations (1.5 percent of 1,089 received) for which they could provide a potential accommodation for small businesses.

Compliant entities per period	28	33	-
Noncompliant entities per period	19	16	-

The total number of entities required to comply changed from 47 to 49 in Period Two, with 15 now at 100 percent compliance. Most of the 16 noncompliant entities were boards or commissions with few regulations between them (45 total remaining, or 2.7 percent of 1,646). Seven of the 16 entities marked as noncompliant for Period Two submitted all of their regulations after the Period Two deadline, but prior to the release of this report.

INTRODUCTION

A vibrant small business sector is critical to Rhode Island's economic prosperity. To promote the small business sector and to make government more efficient, the Rhode Island General Assembly passed, and Governor Chafee signed into law, a measure aimed at creating a **clear, predictable, and reliable** regulatory system (see Appendix C). Governor Chafee then accelerated the timeline, heeding the call from small businesses around the state to review regulations at the speed of business.

As described in its Period One Reportⁱ, the Office of Regulatory Reform (ORR) is overseeing the efforts of state regulatory entities¹ as they evaluate their regulations for impact on small businesses. This report presents a cumulative update of their work as of the conclusion of Period Two of this four-period process, including ORR's recommendations for reform.

During the first two review periods, ORR reviewed submissions for two-thirds of all state regulations, researched best practices, and further developed its analytical framework. In the upcoming period, ORR will continue to meet with entities to outline findings to date, share lessons learned and best practices, and establish a path to realize the recommendations for reform contained in this report.

Ensuing reports will draw on previous findings. ORR will issue a cumulative report in 2014. Note that ORR retains the right to review and analyze all submissions, regardless of submission date, for continuing analysis and recommendations.

New Small Business Ombudsman

ORR's new Small Business Ombudsman joined the team in June 2013. This role will provide direct service assistance to small businesses, as well as play a key part in the regulatory review process. As a former rules coordinator, industry liaison, and enforcement and compliance officer, the Ombudsman will help move reform efforts forward by guiding small businesses through the regulatory process and assisting regulatory entities in the rulemaking process. The Ombudsman will also act as the State's Regulatory Flexibility Coordinator, responsible for reviewing new and amended regulations with a focus towards minimizing adverse impact on small businesses.

¹ For the purposes of this report, the phrases "regulatory entities" and "entities" interchangeably refer to any rulemaking body, including agencies, authorities, boards, commissions, committees, corporations, councils, divisions, departments, and offices.

NOTES ON THE REVIEW PROCESS

This is a new approach to regulatory reform in Rhode Island. A new approach means that ORR has to build the process and analytical framework, while concurrently providing periodic updates as required by law. As is to be expected, these periodic updates will reflect an evolving process that continually seeks to refine its structure and findings.

A good analogy is visiting the eye doctor for vision testing. The eye doctor assesses your vision by testing it against various lenses. As the doctor obtains a sense of your specific vision needs, he or she cycles through the lenses until you can clearly read the eye chart. During each successive attempt, your ability to read the eye chart improves. Likewise, each successive ORR report provides a clearer picture of Rhode Island's regulatory environment.

Additionally, ORR's review reflects a real-time changing regulatory system, including ongoing regulatory adoptions, amendments, and repeals. In order to respond to this system in the bold and proactive spirit proposed by Governor Chafee, ORR must be flexible, innovative, and entrepreneurial. This too is reflected in ORR's reports. Examples of the above include updated datasets, revised exemptions, and expanded definitions.

Thus, future reports will continue to reflect ORR's developing understanding of Rhode Island's regulatory environment. As ORR moves through the review process, it will methodically review data, present findings to businesses and entities, and apply knowledge gained from all sources to the next cycle in its process.

FINDINGS AND RECOMMENDATION AREAS

ORR has continued to develop and address its recommendations issued in Period One. The following provides updates for those Recommendation Areas (1 through 10). Also included this period are two new Recommendation Areas (11 and 12). For consistency, Recommendation Areas will retain the same numbering throughout the review process.

Updated Recommendation Areas

Recommendation Area #1: Map the Regulatory Environment

Period One Summary: Rhode Island lacks an up-to-date map of state government. Over time, changing inter-entity relationships have made the regulatory landscape difficult to navigate, especially when entities overlap. ORR will create an up-to-date map, and work with entities and small businesses to identify overlaps and conflicts.

Update: As it works with entities, ORR has gained a better picture of government organization, especially as it relates to regulation development and governance. ORR has gathered tools (e.g. past maps, 2014 Appropriations Bill) to help inform an up-to-date map. It will be important to develop a government map with the perspective of outside users in mind (e.g. small businesses) as past maps were developed from an internal perspective.

The closest approximation to a system map is the Office of the Secretary of State's (SOS) online database, which ORR initially used as its framework for analysis. The database is also how businesses access regulations online. However, this database is reflective of how regulations are archived – as is its purpose – rather than how entities are administratively organized. In using the database as a navigational tool, ORR experienced first-hand the difficulties that businesses face in working their way through the system.

Beyond the external perspective, a clear and accurate map would also increase communication within government. ORR's own navigational difficulties, along with its follow-up discussions with entities, reveal the potential waste due to time lost by both businesses and entities due to the lack of a central, up-to-date, and navigable system map. As a result, ORR firmly believes that system mapping will increase efficiency in overall communication and navigability.

Parallel to mapping, ORR is examining where regulations interact or conflict. As of Period Two, regulatory entities have identified 121 (11.1 percent of 1,089) regulations that affect another government entity. They have also identified 34 (3.1 percent of 1,089) regulations where a duplicate or conflict may exist. As the review process continues, ORR will work with all entities to reduce any conflict or inappropriate overlap.

A final map will be published with ORR's final report in mid-2014.

Recommendation Area #2: Reduce the Number of Statutory Exemptions

Period One Summary: Three hundred and forty-four regulations (21.0 percent of 1,646) across 22 regulatory entities were exempt from the reform process. These exemptions are due to separation of powers considerations, or to the definition of small business as found in RIGL § 42-35.1-3(c) (ORR will refer to these as “small business exemptions”; see Appendix C for full text). ORR determined that slightly over half (51.5 percent) of the exempt regulations are economic in nature. A number of exempt entities are participating voluntarily in the review process. However, the definitional barrier will remain a constant challenge. This issue and its consequences should be considered closely.

Update: After additional analysis, ORR adjusted the net number of exemptions in Period Two from 344 to 324. This adjustment occurred for two main reasons. First, 30 regulations from one entity were reclassified as non-exempt (all were submitted in Period One). Second, the small business exemptions found in RIGL § 42-35.1-3 (Economic Impact Statements) continued to trigger “new exemptions” in Period Two. Unlike those clear from the outset of the review (e.g. those governing utilities), these “new” exemptions are not revealed until their economic impact statements are complete. During Period Two, six additional entities became partially exempt for this reason, bringing that total to nine.

Figure 1, on the following page, lists all 27 fully and partially exempt entities. They are divided by exemption type (i.e. separation of powers versus small business exemptions under RIGL § 42-35.1-3) and extent (full or partial). A star (★) after each entity’s name indicates its participation in the process despite its exemption(s).

The participation of exempt entities continues to mitigate the impact of statutory exemptions. As of Period Two, only 8.3 percent (137 of 1,646) remain exempt and not submitted. However, the statutory exemptions remain an obstacle to ongoing, comprehensive review and improvement, and will inhibit the ability to benchmark, track, and monitor all of Rhode Island’s regulations.

Figure 1: List of 27 Fully and Partially Exempt Entities

Separation of Powers/Executive Plurality²: 11 Fully Exempt Entities, 124 Regulations

- Attorney General, Department of – 12
- Auditor General – 1
- Ethics Commission – 76 ★
- General Treasurer, Office of the – 5 ★
- Judicial Nominating Commission – 1
- Judiciary, Rhode Island – 2
- Legislative Services, Joint Committee – 1 ★
- Parole Board – 2
- Secretary of State, Office of – 19 ★
- Unauthorized Practice of Law Committee – 1
- Workers’ Compensation Court: Advisory Board – 4

Small Business Exemptions: 7 Fully Exempt Entities, 55 Regulations

- Architects, Board of Examination and Registration of – 1
- Engineers, Board of Registration for Professional – 1
- Health Insurance Commissioner, Office of – 13
- Land Surveyors, Board of Examiners of Professional – 2
- Landscape Architects, Board of Examiners of Professional – 1
- Public Utilities and Carriers, Division of Public Utilities Commission – 17 ★
- Public Utilities Commission – 20 ★

Small Business Exemptions: 9 Partially Exempt Entities, 145 Regulations

- Behavioral Healthcare, Developmental Disabilities, and Hospitals, Department of – 1 ★
- Business Regulations, Department of – 92 ★†
- Coastal Resources Management Council – 13 ★
- Environmental Management, Department of – 2 ★
- Health, Department of – 3 ★
- Housing and Mortgage Finance Corporation – 8 ★
- Labor and Training, Department of – 2 ★
- Public Safety, Department of – 3 ★
- Taxation, Division of – 21 ★

★ Entity submitted exempt regulations for review.

† Of the Department of Business Regulation’s (DBR) 113 regulations, only 21 are statutorily subject to ORR’s review. These are primarily in Commercial Licensing, and DBR is submitting them as required. However, the bulk (92, or 81.4 percent) relate to financial services, securities, and insurance. RIGL does not define these industries as small business, and thus these regulations are not subject to ORR review.

In the interest of supporting the business community and responding to Governor Chafee’s charge, DBR is internally reviewing all regulations that are exempt from ORR review. DBR has already identified several opportunities where it plans to amend, repeal, or consolidate regulations for clarity and efficiency. ORR commends DBR’s efforts, and will report on the progress of its review.

² Rhode Island possesses a plural executive branch system that includes five separately elected officers (Governor, Lieutenant Governor, Secretary of State, Attorney General, General Treasurer). “Separation of Powers” exempts non-executive branches from this review (i.e. legislative and judicial), while “executive plurality” exempts those officers outside of the Governor’s office.

Recommendation Area #3: Improve Accessibility to Regulations

Period One Summary: ORR identified three issues related to accessibility: volume, format, and readability. Small businesses reported needing professional help to navigate the 26,240 pages of regulation (equal to about 10 copies of *War and Peace*). ORR estimates that one-third of state regulation is written at or above a college reading level. In addition, each department uses a different template for writing regulation. ORR will provide entities with tools to measure readability and standardize a template for ease of access.

Update: ORR is developing a “Regulation Manual” to assist entities in developing regulations that are procedurally correct and easy to understand. During Period Two, ORR met with SOS staff to discuss issues surrounding accessibility. ORR will actively continue to engage this critically important office in the process of developing a regulation manual. Included in the manual will be considerations for readability, style, and format. This guidance document will be created and distributed in July 2014.

Recommendation Area #4: Remove Duplicative Regulations and “Non-Regulations”

Period One Summary: A number of duplicate regulations address similar issues in multiple departments (e.g. access to public records). In addition, many regulations appear to be policy. Generally, policy directs internal behavior while regulation directs external behavior. ORR will work to streamline duplicate regulations, and will help regulatory entities seek alternative forums for internal policy, removing them from the regulatory landscape as appropriate.

Update: ORR staff, together with Department of Administration (DOA) legal staff, met to discuss the 19 inconsistent regulations regarding the Access to Public Records Act (APRA). While much work remains, it appears that the number of APRA regulations can be reduced to just a handful without sacrificing the intent or spirit of the regulation. ORR will continue to identify other areas of duplication.

In addition to streamlining duplicative regulations, ORR is examining “non-regulations.” It is important to address the presence of non-regulations, often internal policies, because they add to the regulatory system’s volume and complexity. One of ORR’s key goals is to improve system navigability and consistency, particularly to aid those outside government. It may be clear to regulators that a particular regulation does not affect anyone outside of that department, but individuals and businesses must verify this themselves, or pay a consultant to do so. In the end, greater volume and complexity equates to greater costs to businesses and to the state.

The notion of “non-regulation” immediately raises the question of “what exactly is a regulation.” During the review process, ORR discovered that entities do not have a shared definition of regulation. For example, entities stated that they did not consider some items in

the Secretary of State's Final Rules and Regulations Database as regulation. For these, entities stated that items "had no regulatory content" or that items were bylaws, not regulation. One entity was even unaware that it had regulations in the database.

In seeking why these differences exist, ORR found three statutory sources for defining regulation. Key phrases are **in bold**, and differences in the first two are underlined (since the first two are very similar, but not identical).

1) *In RIGL § 42-35 (Administrative Procedures):*

*§ 42-35-1(8) (Definitions): "Rule' means each **agency statement of general applicability that implements, interprets, or prescribes law or policy** or describes the **organization, procedure, or practice requirements of any agency**. The term includes the amendment or repeal of a prior rule, but **does not include: (1) statements concerning only the internal management of an agency and not affecting private rights or procedures available to the public**, or (2) declaratory rulings issued pursuant to § 42-35-8, (3) intra-agency memoranda, or (4) an order;"*

2) *In RIGL § 42-35.1 (Small Business Regulatory Fairness in Administrative Procedures):*

*§ 42-35.1-2(2) (Definitions): "Regulation' means each **agency statement of general applicability, without regard to its designation, that implements, interprets, or prescribes law or policy**, or describes the **organization, procedure, or practice requirements of agency**. The term includes the amendment or repeal of a prior regulation but **does not include; (i) Statements concerning only the internal management of any agency and not affecting private rights of procedures available to the public**, (ii) Declaratory ruling; (iii) Intra-agency or interagency memoranda; (iv) An order;"*

3) *In RIGL § 42-35 (Administrative Procedures):*

§ 42-35-2 (Public information, Adoption of rules, Availability of rules and orders): "(a) In addition to other rule making requirements imposed by law, each agency shall:

*(1) Adopt as a rule a **description of its organization, stating the general course and method of its operations** and the methods whereby the public may obtain information or make submissions or requests;*

*(2) Adopt rules of practice, setting forth the **nature and requirements of all formal and informal procedures available, and including a description of all forms and instructions used by the agency;**"*

Again in the review process, one entity responded that since its bylaws "concern[ed] only the internal management of any agency," it felt they should not be considered a regulation. Yet the fact that they were in the regulatory system indicates that at some point, the entity considered them "a description of its organization," or perhaps its "practice requirements." ORR's concern

is not in the particulars of this example, but in how it illustrates the collective statutory ambiguity of what appropriately belongs in regulation.

ORR holds that each item going through the rulemaking process should have a rationale for doing so, and that these rationales should be consistent among all rulemaking entities (allowing for appropriate entity discretion). ORR recognizes the need to hold government accountable, and to protect public participation and access to the rulemaking process. There may or may not be rationales for including particular internal policies in regulation. However, given the variety of apparent “non-regulatory content” currently housed in regulation, clarity is needed.

ORR will thus seek one clear, consistent definition of what appropriately belongs in the regulatory landscape, and what may appropriately be publicized through alternate forums.

Recommendation Area #5: Rejoin Separated Regulations

Period One Summary: ORR identified a trend of separating chapters of one large regulation into separate “regulations,” some without any regulatory content. This practice has unintended consequences such as increasing the sheer number of regulations and creating confusion while following separate pieces that should be a logical whole. This practice also allows entities to renew a section of a regulation without sending the whole regulation through the rulemaking process. ORR will work with entities to discourage this practice.

Update: During Period Two, ORR found four regulations that were separated into ninety-four different parts (i.e. separate ERLID numbers). These include:

- Department of Administration’s (DOA) *Procurement Regulations*,
- Department of Behavioral Healthcare, Developmental Disabilities and Hospital’s (BHDDH) *Rules and Regulations for the Licensing of Behavioral Healthcare Organizations*,
- Coastal Resource Management Council’s (CRMC) *Rhode Island Coastal Resources Management Program (also known as the “Red Book”)*, and
- Coastal Resource Management Council’s *Ocean SAMP (Special Area Management Plan)*.

This period, ORR is pleased to report that progress has begun on rejoining these regulations. As of this report, BHDDH has submitted for public notice a proposal to rejoin its regulations related to licensing. CRMC has also begun the formal public notice process to rejoin its 63 “Red Book” ERLIDs regulations back into one regulation. The “Red Book” was originally separated to address electronic file limitations, because it contained graphical elements that caused difficulties for older technology. These efforts represent a solid first step in de-cluttering Rhode Island’s regulatory environment. While a few regulations logically function better as separate ERLIDs, regulations that cannot be understood as separate documents should not be separate

regulations. Entities must ensure that each of its separate regulations can stand on its own. ORR will continue to promote the rejoining of regulations where appropriate.

Recommendation Area #6: Reform the Audit, Inspection, and Enforcement Process

Period One Summary: Audit, inspection, and enforcement practices have as much impact on small business as regulatory policy. These practices create costs to both businesses and the State. Compliance with enforcement was the highest occurring small business impact reported. ORR recommends that enforcement reform occur concurrently with regulatory reform. ORR will work with small business and regulatory entities to provide recommendations in this area.

Update: Enforcement activities (i.e. how regulations are administered) have a major impact on small business. Data from both review periods have identified these activities as the key driver of regulatory impact (see the Small Business Impact Section). Respondents to the 2013 Small Business Surveyⁱⁱ frequently mentioned difficulties with enforcement. Additionally, enforcement is currently the top reason why businesses contact ORR's Small Business Ombudsman.

One small business leader summed up enforcement concerns by saying that he prefers systems that "light the way" as opposed to those that "trip you up." In other words, regulators should help businesses with compliance by providing clear requirements, as well as proactive education and training. The contrast to this is enforcement that focuses on citing companies for infractions, while not providing the needed upfront support to prevent those infractions.

Additionally, members of the small business community feel penalized by the actions of outliers or "one-off" situations. Here ORR recommends that businesses that have shown "good-faith" stewardship over the years be identified and rewarded, while isolating offenders to be dealt with individually. Acknowledging those who aim to maintain compliance will free resources to target those willful or knowing violators. Good risk-based enforcement will provide a resource savings for both the state and small businesses.

Encouraging business growth in Rhode Island means that government must strive to work in partnership with small business. ORR recommends that regulatory entities provide accommodations that focus on business-specific performance standards or multi-tier enforcement. This approach, rather than "one-size-fits-all," is the best way to begin partnerships and realize economic improvement. In addition, ORR encourages entities to strengthen proactive training and education surrounding regulatory standards. ORR will be following up with entities on their progress in implementing small business accommodations and potential training opportunities.

Recommendation Area #7: Promote Lawmaker and Small Business Participation in Reform

Period One Summary: Law empowers and influences regulation. Understanding statutory impact is critical to effective reform. For this reason, lawmakers will need to become involved in the reform process. Likewise, the perspective of the business community will prove invaluable in providing regulatory balance. ORR will actively seek these perspectives for its reform efforts, while encouraging regulators to do the same.

Update: Good regulatory outcomes arise from collaboration. A good example of small business participation in reform is the partnership between the Department of Environmental Management (DEM) and the Rhode Island Marine Fisheries Council (RIMFC). The RIMFC has advisory panels representing the commercial and recreational fishing sectors. These panels advise RIMFC on specific marine fisheries issues, RIMFC in turn advises the Director of DEM. These types of partnerships allow businesses and the public to weigh in at points prior to, as well as during, the public notice and comment period.

ORR encourages all entities to consider how to collaborate with the businesses they regulate. The results of the ORR review support this public-private partnership, as entities that sought small business input (2.3 percent or 9 of 399) produced more accurate impact statements. Partnerships can take a variety of forms, depending on the needs of stakeholders. The goal would be to create an arrangement that is a “win-win” situation where regulations are developed with the input and consensus of an invested small business community.

As an added means of promoting small business participation in the reform process, ORR plans to pursue a web-based “suggestion box.” The suggestion box will allow small businesses an easy means of providing feedback on regulation. Serving as a natural extension of Governor Chafee’s Small Business Survey, this forum will allow businesses to continue to identify the regulatory hurdles they face. ORR will track data trends in submissions, and provide recommendations to regulators based on the data received.

Recommendation Area #8: Support Improved Cost-Benefit Analysis

Period One Summary: Data quality was a significant concern. Regulatory entities had difficulty quantifying the number and type of businesses they regulated, as well as the costs and benefits of their regulations. Entities only submitted complete economic statements for 422 regulations (50.4 percent of those received). ORR will promote improved cost-benefit analysis by identifying barriers, as well as providing technical support to regulatory entities.

Update: Incomplete and inconsistent entity submissions made Period Two data equally difficult to analyze. With each review period, ORR learns more about the challenges entities face in quantifying costs. To overcome these challenges, ORR is developing strategies to help entities improve data quality, and will provide customized support based upon entity specifics.

However, it is the entity's responsibility to devote resources to provide accurate impact figures. High-quality data and information is at the heart of high-quality reform. Each regulatory entity must be able to provide quantifiable data on who they regulate and the cost of compliance and enforcement. As the review progresses, ORR will be sending incomplete or inadequate submissions back to entities for further review. ORR will provide research and technical support as appropriate to realize the goals of reform.

Several situations warrant a detailed look at ways that entities can develop the needed data:

- **Project-Dependent Regulations:** A number of entities reported that their regulations affect unpredictable portions of an industry, based upon project conditions, business size, location, or other "project-dependent" issues. These entities should instead provide the last 3-5 years of historical data, to develop a baseline and identify trends. This solution may apply to other scenarios as well.
- **Purchasing/Procurement:** Many entities have regulations that interface with State purchasing. ORR is working with the Division of Purchases to provide the necessary analysis to complete impact statements for those regulations. Guidance for data quality will then be made available.
- **Establishment/Enforcement Costs:** This question received a wide range of responses, from carefully determined fractional costs, to accurate FTE position figures with no associated costs, to simply "staff time" or "manpower." Some entities determined total costs, and then divided to get a per-regulation cost. Others gave the same total cost for multiple regulations (i.e. "we have one enforcement officer who handles these issues"). ORR will provide instructions to entities on how to calculate enforcement costs.

Finally, ORR must reiterate that few entities consulted small businesses in completing the impact statements (2.3 percent of regulations with a small business impact as of Period Two). Those who did typically developed a more accurate analysis. ORR strongly recommends that entities learn directly from those that they regulate, and encourage their assistance in this process.

Recommendation Area #9: Promote Continuous Process Improvement

Period One Summary: Regulatory reform in Rhode Island is a new and ongoing process. ORR’s methodology in this initiative reflects the “**Plan – Do – Check – Act**” (PDCA) model, drawn from the field of continuous process improvement. Also known as the “Deming Circle” or “Shewhart Cycle,” PDCA is based on the scientific method of hypothesis (“plan”), experiment (“do”), and evaluation (“check”), then using that information to make corrections (“act”). ORR will frame its reform goals using the PDCA principle of iteration for improvement. In the short term, each review period informs the next. In the long term, the entire 19-month review will build a foundation for robust, ongoing regulatory review. ORR will promote continuous process improvement by providing regulatory entities with technical support, shared lessons learned, and best practices.

Update: Building on the PDCA model, ORR recommends “Lean” as a best practice for creating efficiency. Lean is a systematic approach to eliminating waste (non-value-added activities), while streamlining processes to increase the quantity and quality of products and services for customers. In this case, ORR defines “customers” as any Rhode Islander – business owner, resident, employee, elected official – invested in improving the state’s business climate. As it reviews regulations, ORR has begun to see many opportunities for process improvement.

One example of waste is customer service time spent solving problems that may be preventable through clearer guidance and instruction. Review of ORR economic impact statements suggest that of regulations with small business impact, about one-third generate weekly or daily calls for technical assistance, with some generating multiple calls per day. Anecdotal evidence indicates that resources are also spent resolving incomplete or incorrect forms, applications, or reports. While more data is needed to pursue this further, the potential “waste” here suggests that Lean techniques could save time and money, for both the state and business owners.

The Department of Environmental Management (DEM) recently began its own Lean initiative by focusing on site remediation, wetlands and air resources permitting. Upon review of DEM’s initial outcomes and positive improvement results, the Office of Management and Budget (OMB) developed and issued a request for proposal (RFP) seeking qualified Lean consultants to provide Lean services to other state agencies and municipalities through the state’s Master Pricing Agreement (MPA). The MPA for Lean services is active and can now be used by state and municipal regulatory entities to access qualified Lean training and implementation providers.

Lean tools and methodology are a proven method for entities to implement as a way to balance regulatory benefits and impacts and streamline processes. Small business owners expect that

they will be regulated. However, they do look for a system that considers their perspectives, and helps them fully understand how to comply and plan for the impact on their business. The improved customer service typically resulting from focused Lean initiatives is an essential component of reducing negative business impacts.

Recommendation Area #10: Push Regulatory Reform Efforts Beyond Current Performance Levels

Period One Summary: ORR asked entities to consider how they could improve the state’s regulatory environment for small businesses. When asked to amend, repeal, or maintain regulation, entities recommended to maintain 789 (94.2 percent) of their submitted regulations in their current form. Of the 179 regulations identified by entities and ORR as having a small business impact, entities offered 26 for amendment or repeal. Choosing from the five options proposed by ORR, entities identified 11 regulations for small business accommodation.

ORR commends those entities that have begun the hard work of reform. However, ORR believes that Rhode Island can do better. Thus far, proposals for reform only address a small portion of overall regulation. As it continues its review, ORR will challenge entities to consider small business amendments or accommodations in more areas. The sooner that reform occurs, the sooner we will realize improvements to Rhode Island’s economic environment.

Update: Out of the 902 non-exempt regulations received for review in the first and second periods, entities elected to maintain 838 (92.9 percent) in their current form. Thirty-eight (9.5 percent) of the 399 regulations identified as having a small business impact were offered for amendment or repeal. Finally, entities identified five regulations in Period Two for a specific accommodation for small business (bringing the total to 16). Those accommodations, selected from options listed in the economic impact statement (see Appendix D), are included in the following table.

One regulatory reform “success story” from Period Two is the Rhode Island Resource Recovery Corporation (RIRRC). The Small Business Ombudsman assisted RIRRC in repealing three regulations that it had identified as no longer relevant. After providing support on the rulemaking process (RIGL § 42-35, Administrative Procedures), including the impact statement and regulatory flexibility requirements, the Ombudsman helped RIRRC staff navigate the steps to repeal its obsolete regulations.

Tables 1 and 2 present accommodations and repeals as identified by regulatory entities. ORR will follow up on all suggested reforms, and will encourage entities to complete these reforms within Governor Chafee’s accelerated timeline.

Table 1: Regulations Identified by Entities for Potential Small Business Accommodation, in Period Two

Regulatory Entity	Regulation (with ERLID #)	Small Business Accommodation Type
Business Regulation, Department of	Commercial Licensing Regulation 14 – Brew on Premises (4371)	<ul style="list-style-type: none"> • Consolidated or simplified compliance or reporting requirements
Environmental Management, Department of	Air Pollution Control Regulation No. 12 – Incinerators (4507)	<ul style="list-style-type: none"> • Consolidated or simplified compliance or reporting requirements • Performance standards to replace design or operational standards
Environmental Management, Department of	Air Pollution Control Regulation No. 22 – Air Toxics (5314)	<ul style="list-style-type: none"> • Less stringent deadlines for compliance or reporting requirements • Consolidated or simplified compliance or reporting requirements • Performance standards to replace design or operational standards
Health, Department of	Rules and Regulations Pertaining to the Rhode Island Birth Defects Registry (3745)	<ul style="list-style-type: none"> • Less stringent deadlines for compliance or reporting requirements
Public Safety, Department of	Rules and Regulations Governing the Sale of Fireworks and Pyrotechnics (6584)	<ul style="list-style-type: none"> • Alternative method for minimizing impact

Table 2: Regulations Identified by Entities for Repeal, as of Period Two

Regulatory Entity	Regulation (with ERLID #)
Administration, Department of	Handbook on Local Comprehensive Plan Update 2003 (3059)
Business Regulation, Department of	Commercial Licensing Regulation 14 - Brew on Premises (4371)
Clean Water Finance Agency	FY2009 Intended Use Plan For The Clean Water State Revolving Fund Program (5487)
Energy Resources, Office of	Plan for the Allocation and Distribution of Regional Greenhouse Gas Initiative Auction Proceeds (5617)
Environmental Management, Department of	Air Pollution Control Regulation No. 42- Heavy-Duty Diesel Engine Standards (4532)
Health, Department of	Poison Prevention Packaging Act Regulations (312)
Housing and Mortgage Finance Corporation	Rules and Regulations of the Corporation Applicable to the Cooperative Housing Demonstration Program (1093)
Housing and Mortgage Finance Corporation	Rules and Regulations of the Corporation Governing Capital Fund Grants For Emergency Shelters (1090)
Motor Vehicles, Division of	Regulations Regarding Foreign Language Driver License Examinations (4427)
Narragansett Bay Commission	Rules And Regulations For Public Access To Files And Records (967)
Public Utilities Commission	Regulations Regarding Perfection Of Security Interest In Intangible Transition Property (6371)
Transportation, Department of	Rules And Regulations Regarding The Pavement Management Program (1298)
Transportation, Department of	Rhode Island Department Of Transportation Rules And Regulations For Debarment Of Contractors On Construction Projects (1274)
Transportation, Department of	Rules And Regulations Of The Rhode Island Department Of Transportation Regarding Contractor And Subcontractor, Debarment, Suspension And Sanctions (1273)

Period Two Recommendation Areas

A clear, predictable, and reliable regulatory system requires an effective and consistent legislative foundation. Thus, ORR's new Period Two recommendations focus exclusively on improving the clarity and effectiveness of Rhode Island's rulemaking and review processes. These are governed by the state's Administrative Procedures Act (APA), contained in RIGL § 42-35 (and similar to the APAs of the federal and other state governments).

The APA requires that entities:

- keep the public informed of their rulemaking activities;
- provide a venue for public participation in the development of regulations; and
- establish uniform standards for the conduct of formal rulemaking and adjudication.

Regulatory entities are often empowered to file rules in order to implement new laws. Authorized by this enabling legislation, regulatory entities use their subject matter expertise to promulgate regulations through the APA process.

The following legislative amendments to APA-related statutes will strengthen the rulemaking process and ongoing reform efforts. In addition, ORR will look for opportunities to bolster and clarify the laws that direct how entities adopt, amend, and repeal rules.

Recommendation Area #11: Adjust the APA: Rulemaking Clarifications

Eliminate Statutory Exemptions to ORR Review – RIGL § 42-35.1-3(c)

As discussed in Recommendation Area #2, ORR believes that the statutory exemptions found in RIGL § 42-35.1-3(c) prevent a comprehensive review of Rhode Island's regulatory environment. Three hundred and forty-four (21.0 percent) regulations were exempt from the review process. Slightly over half (51.5 percent) of the exempt regulations are economic in nature. Therefore, ORR recommends the removal of statutory exemptions from review process. ORR contends that this removal will allow for a full and comprehensive review of the entire regulatory landscape.

Clarify and Identify the Entities Involved In Review Process – RIGL §§ 42-35-1-3 and 42-35-1-4

ORR reviewed the current APA requirements pertaining to the review process for the economic impact statement and the regulatory flexibility analysis (§§ 42-35-1-3 and 42-35-1-4 respectively). Our analysis did not find clear guidance as to which oversight entities should review these documents, other than ORR.

Important aspects of the review process were repealed in 2012. Repealed from § 42-35-3.3 was a requirement for each entity to notify the governor's office, prior to beginning the formal

rulemaking process, of its intent to adopt proposed regulations. This allowed the governor's office to review the proposed regulations, and to identify any potentially adverse economic impacts on small businesses. It also allowed time to respond to that entity before the formal rulemaking process began. ORR recommends that the current APA be amended to revert to the prior process, by again including the governor's policy office in advance review.

ORR also found that the fiscal note requirement found in RIGL § 22-12 (Fiscal Notes) needed clarification as well. RIGL § 22-12-1.1 (Fiscal Notes for Administrative Rules) does not clearly explain the intent of this law. The APA requires that entities accompany each proposed rule with a fiscal note. However, RIGL 22-12-1.1 states only that a fiscal note is required to accompany legislative bills; it does not expressly include administrative rules and regulations. Entities appear to have complied with this law, but it should be amended to clearly state the intent and provide guidance for compliance.

Recommendation Area #12: Adjust the APA: Synchronize the Five-Year Periodic Review and Five-Year Refiling of Rules & Regulations

Rhode Island General Law contains two separate periodic regulatory requirements. Each occurs at different 5-year intervals, and has a number of key differences.

The Secretary of State refile process:

- is on one five-year cycle (next cycles end January 2017 and January 2022),
- may eliminate clearly obsolete regulations, and
- occurs over two to three months, every five years.

The ORR regulatory review:

- is on a different five-year cycle (next cycles end December 2021 and December 2026),
- specifically addresses small business impact and encourages meaningful reform, and
- is evenly divided over a five-year period.

It would be logical to synchronize both requirements to complement each other, while clearly defining the roles of each overseeing entity. ORR would adapt its timetable to that of the five-year refile with the SOS. Regulatory entities would thus first substantively examine each regulation in the ORR process, and then formalize changes in the SOS process. The following page provides the details of each mechanism, followed by ORR's recommendation to synchronize the two systems. The result will be a more meaningful, less complicated, regulatory review system. SOS supports this proposal, and ORR looks forward to working with it to move this initiative forward.

Refiling of Rules and Regulations; Periodic Refiling of Rules and Regulations – RIGL § 42-35-4.1 and § 42-35-4.2 (coordinated by SOS)

Pursuant to RIGL §42-35-4.1 (Refiling of Rules and Regulations) and § 42-35-4.2 (Periodic Refiling of Rules and Regulations), every five years each entity is required to submit a certified document which lists those rules and regulations lawfully promulgated with the Secretary of State that it intends to refile, and those it will not be refiling. Rules and regulations listed for non-refiling must be repealed in accordance with provisions of § 42-35-3(a). While the five-year refile may eliminate some clearly obsolete regulations, the focus of the refile has never been to effect regulatory reform.

Periodic Review of Rules – RIGL § 42-35-3.4 (coordinated by ORR)

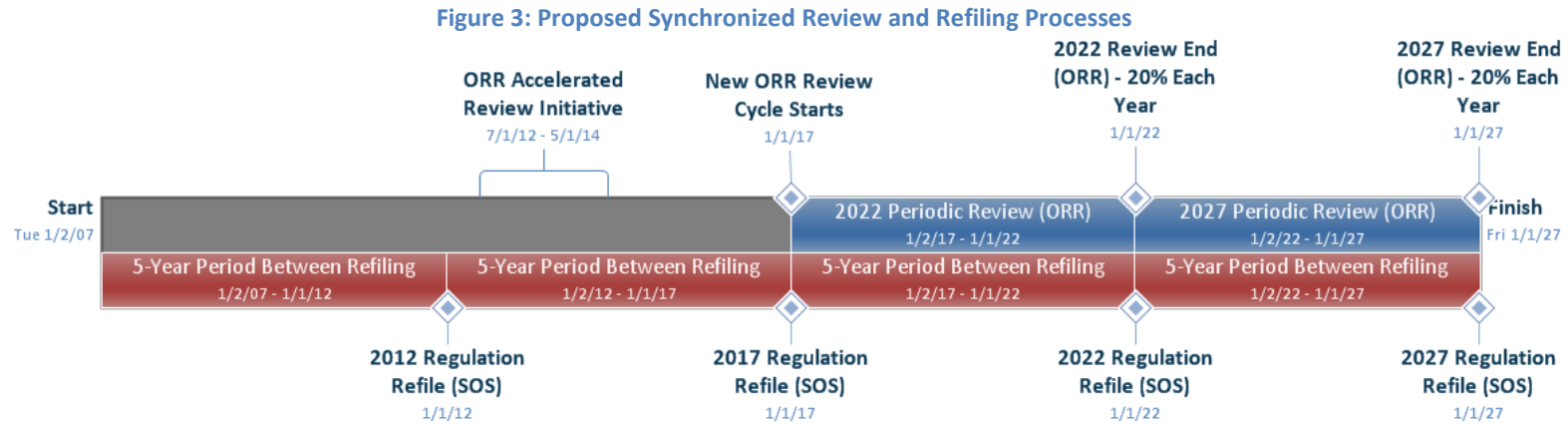
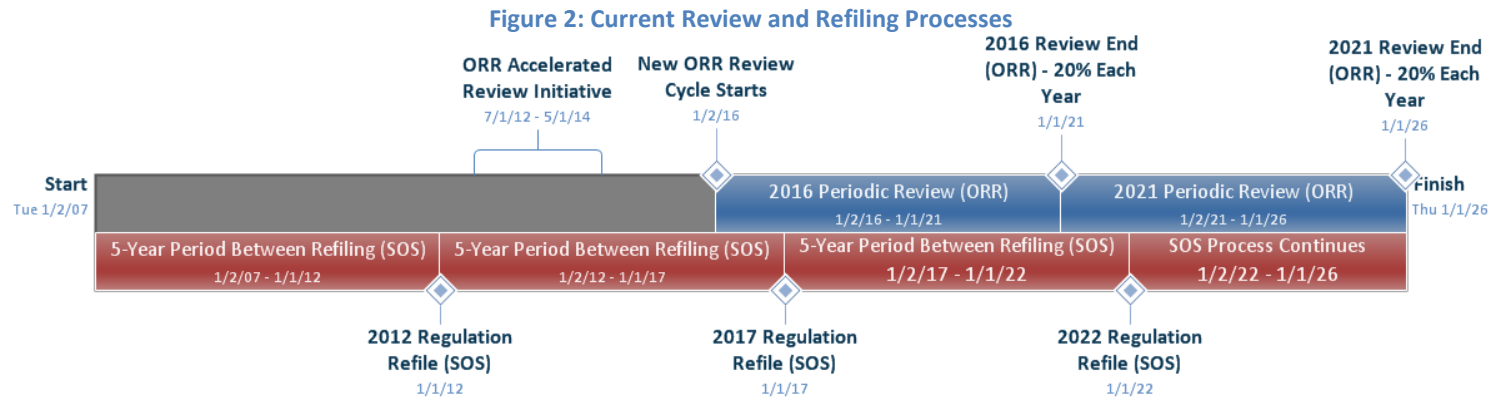
Pursuant to RIGL §42-35-3.4 (Periodic Review of Rules), each entity shall review all existing entity rules every five years, with the exception of emergency regulations adopted in accordance with subsection 42-35-3(b). In this review, entities shall determine whether such rules should be continued without change, or should be amended or rescinded. For this review process, entities are given a number of factors to consider, such as the complexity of the rule; does the rule overlap, duplicate, or conflict with other government rules; length of time since the rule has been evaluated; and the economic impact on small businesses. Over time, sections of this law have been amended. This has led to some confusion in the language, flow, and clarity of intent and instruction, which ORR recommends clarifying.

ORR Recommendation

For the 2014 Legislative Session, ORR recommends synchronizing the five-year periodic review of rules requirement with the five-year periodic refiling of rules and regulations requirement. ORR recommends mirroring language where necessary, so each process complements and enhances the other. ORR will work with Governor Chafee’s Office and the Office of the SOS to clarify the language in section 42-35-3.4 (Periodic Review of Rules) to include the requirements from sections 42-35-4.1 (Refiling of Rules and Regulations) and 42-35-4.2 (Periodic Refiling of Rules and Regulations). This will make section 42-35-3.4 (Periodic Review of Rules) more concise and comprehensive. ORR will then recommend to repeal sections 42-35-4.1 (Refiling of Rules and Regulations) and 42-35-4.2 (Periodic Refiling of Rules and Regulations), since the language would be incorporated into section 42-35-3.4 (Periodic Review of Rules).

The resulting legislation would synchronize the five-year periodic review of rules requirement with the SOS’s five-year periodic refiling of rules. It will also streamline the process for entities, and provide entities an avenue for meaningful regulatory reform.

See Figures 2 and 3 on the following page for clarification.



The top timeline demonstrates the current unaligned configuration of the ORR review and the SOS refile process. The bottom illustrates the proposed synchronization of these processes, with ORR review preparing for and leading into the SOS refile. The best time for realignment is the SOS's next five-year periodic review scheduled for 2017. Adapting the ORR timeline to the SOS schedule would make it less burdensome for regulatory entities, while simultaneously strengthening routine regulatory maintenance.

Note that within each synchronized five-year period, beginning in 2017, entities would only be responding to one review at a time. For the bulk of each five-year period, they would perform substantive review through the ORR process. This would prepare them well to finalize their regulatory changes through the SOS's process (typically commencing in September and completed by the beginning of January).

REGULATORY ENTITY COMPLIANCE STATUS AS OF PERIOD TWO

Overview

Overall, regulatory entities are responding to – and in many cases surpassing – the compliance requirements set by Governor Chafee. At this halfway point in the review:

- 66.2 percent of all regulations (1,089 of 1,646) have been submitted;
- 30.6 percent of non-exempt entities (15 of 49) have submitted *all* their regulations;
- approximately 420 non-exempt regulations remain to be submitted for review; and
- five additional entities have become compliant since Period One, for a total of 33.

Sixteen of the 49 non-exempt entities are noncompliant for Period Two. Ten of these have five or fewer regulations, and only two have ten or more. Most are boards, commissions, and other small entities. The total of all regulations not yet submitted by these 16 entities is 45. The aggregate effect of noncompliant entities on Period Two analysis is thus minimal. However, ORR continues to reach out to all entities to seek full compliance.

Note again that as a real-time review, and as detailed in the Executive Summary, ORR’s data reflect shifts due to exemption status changes, amendments, repeals, and other updates from one Period to the next. In reviewing the following tables, please note that 49 entities were subject to Period Two review (versus 47 in Period One). The Board of Elections was reclassified as non-exempt, and the Board of Education was waived from Period One review since it occurred during its merger and subsequent regulatory restructuring.

Table 3 breaks down all submissions as of Period Two by compliance category and exemption status. Tables 4 and 5 list Compliant and Noncompliant entities, respectively.

Table 3: Submissions by Compliance Status

Submissions as of Period Two	Non-Exempt	Exempt	TOTAL
Compliant Entities (Table 3)	872	51	923
Noncompliant Entities (Table 4)	30	0	30
Fully Exempt Entities (not subject to Compliance review)	0	136	136
TOTALS	902	187	1,089

Table 4: Compliant Regulatory Entities, as of Period Two

Regulatory Entities	Total Non-Exempt Regulations	Submitted Regulations ³ (Period 1 & 2)	% Submitted (Period 1 & 2)
Department of Administration	37	19	51.4%
Agricultural Lands Preservation Commission	1	1	100%
Airport Corporation	7	7	100%
Batterers Intervention Program Standards Oversight Committee	2	2	100%
Department of Behavioral Healthcare, Developmental Disabilities and Hospitals (partially exempt)	16	17 ³	100% ³
Building Code Standards Committee	16	9	56.3%
Department of Business Regulation (partially exempt)	21	11	52.4%
Capital Center Commission	2	2	100%
Department of Children, Youth and Families	184	168	91.3%
Coastal Resources Management Council (partially exempt)	78	60	76.9%
Department of Corrections	18	10	55.6%
Governor’s Commission on Disabilities	15	15	100%
Economic Development Corporation	10	7	70.0%
Board of Education ⁴	23	22	95.7%
State Board of Elections ⁴	30	30	100%
Office of Energy Resources	2	2	100%
Department of Environmental Management (partially exempt)	186	113	60.8%
Executive Office of Health and Human Services	62	50	80.6%
Fire Safety Code Board of Appeal and Review	1	1	100%
Health and Educational Building Corporation	3	3	100%
Department of Health (partially exempt)	126	63	50.0%
Historical Preservation and Heritage Commission	7	7	100%
Housing and Mortgage Finance Corporation (partially exempt)	18	12	66.7%
Commission for Human Rights	23	12	52.2%
Department of Human Services	39	22	56.4%
Department of Labor and Training (partially exempt)	44	43	97.7%
Division of Motor Vehicles	39	20	51.3%
Department of Public Safety (partially exempt)	11	14 ³	100% ³
Department of Revenue	3	3	100%
Rhode Island Rivers Council	1	1	100%
Division of Taxation (partially exempt)	197	158	80.2%
Department of Transportation	19	13	68.4%
Water Resources Board	6	6	100%
33 Regulatory Entities	1247	923	78.4%

³ Nine “partially exempt” entities have both non-exempt and exempt regulations, with most exemptions identified after submission (see “Compliance Challenges,” below). These “new exemptions” are included in the “Submitted Regulations” figure for interim Periods 1-3. For those at 100% compliance (BHDDH/DPS), this figure is larger than their non-exempt total, but their “% Submitted” will not surpass 100%. ORR determined this as the fairest way to track interim compliance. For Period 4 compliance, entities must submit all remaining non-exempt active regulations; any exempt submissions will not count towards compliance.

⁴ In Period One, the Board of Education was excluded from review while it completed a merger and subsequent amendments. In Period Two, ORR revised the exemption status of the Board of Elections, which unlike the Secretary of State’s Division of Elections, is not exempt. It submitted all regulations during Period One.

Table 5: Noncompliant Regulatory Entities, as of Period Two

Regulatory Entities 100% = all were due in Period One 50% = 25% due each Period	Total Non-Exempt Regulations	Submitted Regulations Period 1 & 2	% Submitted Period 1 & 2	Notes
Board of Accountancy (100%)	8	4	50.0%	Submitted all remaining regulations after Period Two closed.
State Council on the Arts (100%)	2	0	0.0%	Submitted all remaining regulations after Period Two closed.
Cemetery Commission (100%)	1	0	0.0%	Submitted all remaining regulations after Period Two closed.
Clean Water Finance Agency (50%)	11	4	36.4%	Submitted Period Two and Period Three requirements after Period Two closed.
Department of Education (100%)	1	0	0.0%	----
Division of Elderly Affairs (100%)	6	0	0.0%	DHS plans to submit for DEA.
Higher Education Assistance Authority (100%)	5	4	80.0%	----
Housing Appeals Board (100%)	2	0	0.0%	----
Housing Resources Commission (100%)	5	4	80.0%	----
Narragansett Bay Commission (100%)	8	7	87.5%	Submitted all remaining regulations after Period Two closed.
Personnel Appeal Board (100%)	1	0	0.0%	----
Public Transit Authority (100%)	4	0	0.0%	Submitted all remaining regulations after Period Two closed.
Resource Recovery Corporation (50%)	10	0	0.0%	Submitted all remaining regulations after Period Two closed.
Student Loan Authority (100%)	6	4	66.7%	Submitted all remaining regulations after Period Two closed.
Turnpike and Bridge Authority (100%)	4	3	75.0%	----
Water Resources Board Corporate (100%)	1	0	0.0%	----
16 Regulatory Entities	75	30	40.0%	

ORR provided significant technical assistance to eleven entities to comply with review requirements, completing impact statements, or quantifying costs. This assistance enabled six to move to or stay in compliance for Period Two. The remaining five did not meet the Period Two deadline, but along with another three entities, they have submitted all of their regulations as of this report’s publication. These eight are noted above.

Compliance Challenges

Trends have begun to emerge regarding challenges for entities in complying with the ORR review. These include:

- As noted in the Recommendation Area #1 Update, ORR uses the SOS's online database as its source for entity hierarchies and active regulations. Although hierarchy discrepancies have been identified, ORR has been unable to find a more authoritative source that includes and classifies every regulation and every entity. ORR has thus needed to work closely with some entities to reach a shared understanding of compliance requirements for each primary and subentity.
- Every rule with a separate ERLID number is considered a separate regulation, requiring separate review. Some entities with "sets of regulations" (one logical document split into multiple ERLIDs/regulations) believed they all counted as one regulation, leading them to think they had complied when they had not. Others believed that certain ERLIDs did not qualify as regulations (e.g. bylaws, in some cases purchasing).
- Most entities with many regulations constantly file amendments or other changes, which is challenging given ORR's goal to provide real-time analysis. These changes (especially given that each generates a new ERLID number) complicate the question of "how many regulations must we submit to hit the 50 percent requirement for Period Two." ORR is working with these high-volume entities to give specific requirements for each Period, but tracking this takes resources on both sides, and at times has resulted in delays or confusion.
- One challenge for ORR throughout the review has been the fluid nature of exemptions. A number of "new" exemptions – not obvious until the impact statement was completed – arose in Period Two (discussed in Recommendation Area #2 Update). In short, entities did the number of statements required by the deadline, but ORR often found later that some were exempt. ORR did not feel it could penalize these entities by quickly requiring additional non-exempt statements. Thus, for the first three Periods, these may "count" towards each period's compliance. For Period Four, however, focus will shift from "submit this many regulations" to "ensure that all active, non-exempt regulations have been submitted."

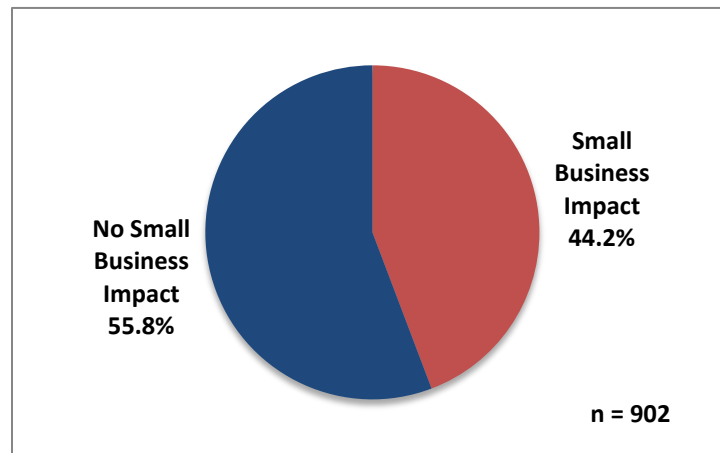
ORR will continue to provide status updates and requirements to entities, and will work with them to resolve these issues.

SMALL BUSINESS IMPACT AS OF PERIOD TWO

Summary of Findings

Of the 902 non-exempt submissions received in the first and second period, ORR has identified 399 (44.2 percent) regulations with small business impact (see Figure 4). This includes 56 of the 129 regulations marked in the first period as “potential,” for which more research was needed. ORR continues to work with entities on identifying each regulation’s small business impact.

Figure 4: Percent of Non-Exempt Submissions with Small Business Impact



In the Period One report, ORR identified the five entities that 2013 Small Business Survey respondents felt presented the greatest obstacles faced by their business. Period One data demonstrated a strong correlation with the survey data. The small business impact results as of Period Two continue to reflect the survey results. These “Top Five” entities are the:

- Division of Taxation;
- Department of Environmental Management;
- Coastal Resources Management Council;
- Department of Labor and Training; and the
- Department of Health.

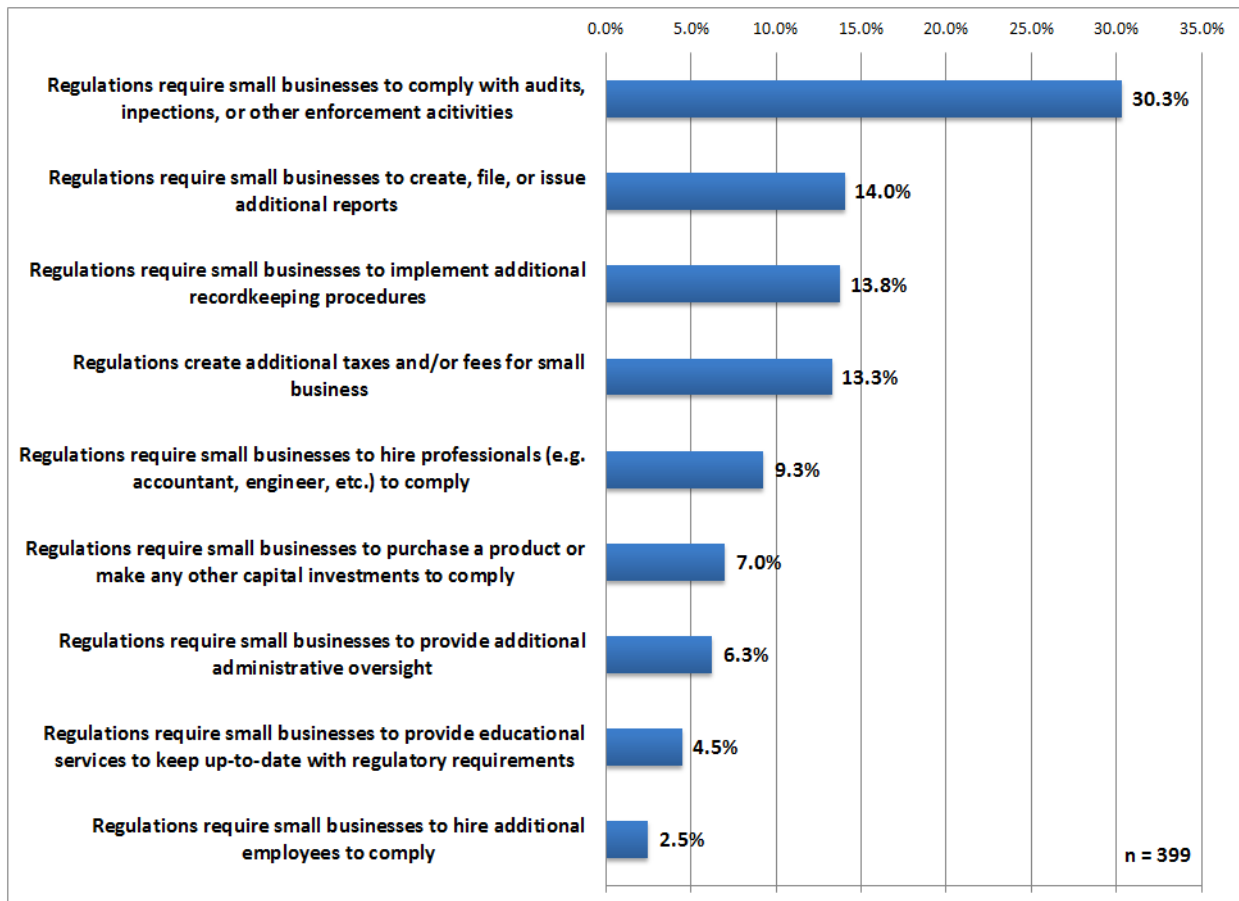
Details of these “Top Five” entities are presented in Appendix A. Please note that some entities, due to their statutory mandates, necessarily interact more with small business than others do. However, the alignment between survey respondents and small business impact data suggests that these entities may be a good place to focus reform efforts.

Specific Types of Impact on Small Businesses

In Period One, ORR reported on its series of 18 closed-ended questions found at the end of the economic impact statement. As of Period Two, ORR has received a total of 703 (64.6 percent of 1,089 received) statements containing answers to these questions (several entities simply provided a letter stating “no impact”). Figure 5 presents data from those regulations (399) that have been identified as having a *direct* small business impact.

ORR notes that these findings represent the view of regulators. Only nine of the submitted regulations, or 2.3 percent of those with small business impact, directly contacted a small business to prepare the economic impact statement. These figures will change as more information is received and the review progresses.

Figure 5: Regulatory Small Business Impacts for Percentage of Regulations Submitted



SMALL BUSINESS IMPACT: AN IMPROVED MODEL

It is clear that regulations affect small businesses. What is not clear is exactly who, when, how, and how much small business is impacted. This is a key part of ORR’s charge.

During the first two periods, ORR’s working definition of regulations with small business impact has been those with which all applicable businesses must comply in order to operate. However, in meeting with small businesses and considering how specific regulations did or did not fit into the current model, ORR identified a range of additional impact types, which must be considered.

For example, many regulations directly impact municipalities rather than businesses. However, municipal impacts can often translate into business impacts. Other regulations have definite impact, but only on specific businesses that choose to participate (in an incentive program) or violate (regulations or laws). ORR did not think these should be grouped with those requiring compliance from any business seeking to operate. Nevertheless, ORR does believe these types of impacts must be considered and assessed.

At this review midpoint, ORR believes a more accurate picture of small business impact must recognize and assess multiple types of impact. ORR has thus developed the following model, and will implement it in Period Three.

Table 6: ORR Small Business Impact Model

Impact Type	Definition
<i>Direct Impact</i>	Regulations that a small business must adhere to in order to operate
<i>Decision-Based Impact</i>	Regulations that are triggered by a business decision (e.g. those related to “opting-in” to a program or violation of law)
<i>Indirect Impact</i>	Regulations whose impacts reach small businesses indirectly (e.g. a regulation that impacts another, which in turn impacts a small business)
<i>No Impact</i>	Regulations with no direct, decision-based, or indirect impact on small business

This model will lead to a more comprehensive reflection of exactly how, and how much, Rhode Island regulations collectively impacts its small business community.

CONCLUSION

Regulations are created to help ensure that health, safety, and quality of life are maintained for all Rhode Islanders. A key component to the quality of life for our citizens is the health and welfare of the business community. There is a symbiotic relationship between the quality of life of our citizens and the quality of life of our business community. Ensuring that regulations both protect and support, in a balanced approach, is paramount to the work of the ORR.

Based upon the results of the Period Two review, much progress has been made, but Rhode Island has more work to do. The complexity of regulations and the resulting impact on the regulatory environment have created a labyrinth for small businesses to navigate. Working our way through this challenging environment requires collaboration between regulators and the business community. Although there have been challenges, this work has begun in earnest. Transparent conversations and “out of the box” ideas are percolating throughout agencies, departments, boards, and commissions. Business leaders are presenting ideas for negotiation, and bringing forward best practice models to share from industry. The spirit of collaboration is taking hold in regulatory reform efforts throughout our great state.

The ORR is ready and able to assist entities in their review efforts. We must remain committed to seeing this process through to completion. If we maintain our level of commitment and focus, we will realize the goal of creating a clear, predictable, and reliable regulatory system in Rhode Island.

APPENDICES

APPENDIX A: Detail of Top Five Entities

In the 2013 Small Business Survey, ORR asked small business owners about the regulatory challenges they faced. Respondents most often mentioned the following five entities (in order by number of regulations): Division of Taxation (Taxation), Department of Environmental Management (DEM), Department of Health (DOH), Coastal Resources Management Council (CRMC), and Department of Labor and Training (DLT).

These same five entities had the highest percentages of regulations with small business impact, in both Period One and Period Two. High interaction with small business is often directly related to an entity's mandate. However, the continued high impact of these same "Top Five" entities warrants a detailed look at the impact of their regulations.

Key entity data given in the following tables include:

- Summary data: description, supervising entity if any, and other entities it may affect;
- Compliance status and progress in reviewing entity's total regulations;
- Measures of impact the entity has on small business;
- Measures of influence that federal/state rulemaking has on the entity's regulations;
- Summary of entity's impact on small business;
- Entity-specific recommendations for regulatory reform; and
- Full tables detailing the entity's impact on small business.

General Notes and Clarifications

- Tables include cumulative data as of Period Two, primarily taken directly from entity Economic Impact Statements (EIS).
- In particular, "Other Entities Affected" draws only from entity input to date.
- Analysis will continue over the 19-month period. As entities submit additional regulations, tables will reflect cumulative totals.
- "Federal Influence" and "State Influence" relate to the influence of law over regulatory content, which was a question on the ORR-provided cover sheet. ORR used the entity's choice if provided; if not, ORR used information in the EIS and the regulation itself. Note that many state laws are rooted in federal law; this may not be consistently reflected throughout all 49 entities. ORR will work with entities to identify regulatory root causes.

Notes and Clarifications on the “Entity Impact on Small Business – Detail” Tables

These tables list each individual regulation that impacts small business. Other than a few ORR categorical determinations, these tables reflect the data provided by the entities in their economic impact submissions. One example of an ORR determination is the “individual vs. trade license” decision noted in the tables for the Departments of Health and of Labor and Training. Regulations are grouped into those that impact specific sectors, and those that have general, cross-sector impacts based on the noted criteria.

The “Specific Sectors” section lists the regulation’s ERLID number, the specific NAICS industry sectors impacted (the regulation’s title is in parentheses for reference), and the entity’s estimate of how many Rhode Island small businesses are impacted. The “General Impacts” section is similar, but in place of the NAICS sectors, it lists the various criteria determining which businesses the regulation impacts.

- The “Entity Estimate of Number of Rhode Island Small Businesses” column reflects data from impact statements whenever possible. In some cases, ORR developed the following terminology for consistency.
 - “Entity could not say how many of these are small businesses” indicates that the entity provided an industry total, but noted that it felt it could not identify which were small businesses (typically using phrases such as “indeterminable,” “cannot quantify,” or “impossible to know how many are small businesses”).
 - “Entity did not quantify” indicates that no number was given.
- NAICS (North American Industry Classification System): Codes used by businesses and government to classify businesses according to type of economic activity. See Appendix E for full NAICS definitions.
- ERLID (Electronic Regulation Locator Identification Number): Every Rhode Island regulation is assigned a unique ERLID by the Office of the Secretary of State.
- For reference, in 2010, there were 95,471 small businesses in Rhode Island (most recent data publicly available through the U.S. Small Business Administration).

Division of Taxation (Taxation)

Description: Taxation is charged with the collection and assessment of all state taxes.	Supervising Entity	Department of Revenue
	Other Entities Affected	Department of Business Regulation (DBR) Economic Development Corporation (EDC) Department of Motor Vehicles (DMV)

TAXATION COMPLIANCE STATUS: PERIOD TWO

Exempt from Review: PARTIAL	Compliance Status: COMPLIANT	Regulations submitted for review: 158 of 197 (80.2 percent)
Percentage of Total Taxation Regulations Reviewed as of Period Two		
<p>21 of these 158 submissions were found to be exempt after submission, leaving 137 non-exempt submissions. These 21 are included only in this Compliance section, and are not included in any of the below sections.</p>		

MEASURES OF IMPACT AND INFLUENCE: PERIOD TWO

Small Business Impact	HIGH	<p>120 of 137 regulations (87.6 percent) have small business impact</p> <p>17 of 137 regulations (12.4 percent) do not have small business impact</p>
Federal Influence	NONE	0 of 137 regulations (0.0 percent) were identified as influenced by Federal law or rule making
State Influence	HIGH	137 of 137 regulations (100 percent) were identified as influenced by Rhode Island General Law
IMPACT/INFLUENCE KEY:		<p><u>HIGH</u>: > 75% regulations <u>MODERATE</u>: 25% to 75% regulations</p> <p><u>LOW</u>: < 25 % regulations <u>NONE</u>: No regulations</p>

TAXATION’S IMPACT ON SMALL BUSINESS: PERIOD TWO, SUMMARY

<p>The 120 regulations with small business impact are broken down in two groups, which include Taxation’s estimates of how many small businesses each regulation impacts. The groups, found after the “Recommendations” section, are:</p> <ul style="list-style-type: none"> • Specific Sectors: 85 regulations impact applicable businesses in specific sector(s), as identified by Taxation. • General Impacts: 35 regulations impact applicable businesses in all sectors, as identified by Taxation.
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Except as previously noted, these tables are based on entity economic impact statements.

RECOMMENDATIONS FOR TAXATION REGULATORY REFORM: PERIOD TWO

- Taxation identified at least one potentially duplicative or conflicting regulation. Review Recommendation Area #4 (“Remove Duplicative Regulations and ‘Non-Regulations’”) in the Period One report, and determine if these can and should be streamlined. Please provide ORR with a status update and timeline.
- Taxation did not submit complete, quantified costs of establishing and enforcing these regulations. Review Recommendation Area #8 (“Support Improved Cost-Benefit Analysis”) in both the Period One and Two reports, and work to quantify this key regulatory impact. Contact ORR for assistance.
- Taxation did not directly contact small businesses in preparing the EIS form (would not typically include public hearings). Entities that did so were better equipped to quantify impact data. Review Recommendation Areas #7 (“Promote Lawmaker and Small Business Participation in Reform”) and #8 (“Support Improved Cost-Benefit Analysis”) in both the Period One and Two reports, and seek out small business input. ORR can facilitate connections to relevant business organizations.
- Regulations should be clear and understood by those they regulate. Although Taxation had many highly readable regulations, many had low readability as well. Review Recommendation Area #3 (“Improve Accessibility to Regulations”) in the ORR Period One report. Use Microsoft Word’s readability statistics to evaluate and improve the readability of Taxation’s regulatory language.

TAXATION’S IMPACT ON SMALL BUSINESS: PERIOD TWO, DETAIL

Impact on Specific Sectors

Impacting Regulation’s ERLID #	NAICS Small Business Sector(s) Impacted (title of regulation in parentheses)	Entity Estimate of Number of Rhode Island Small Businesses
RECEIVED IN PERIOD ONE		
211	Retail Trade (Bad Debts)	Any of the 30,000 retailers filing sales and use tax returns that report taxable sales and write-off uncollectible amounts
212	Retail Trade (Beer, Wine and Liquor)	1,400 liquor licenses; “the vast majority are small businesses”
214	Retail Trade (Application of Tax at Time of Billing)	Any of the 30,000 retailers filing sales and use tax returns that report and collect tax on installment sales
215	Manufacturing (Sterilizing Agents)	Over 2,154 manufacturers may purchase sterilizing agents (entity could not say how many of these are small businesses)
216	Manufacturing (Stonecutters and Monument Workers)	24 manufacturers
220	Retail Trade (Tax-Paid Purchases Resold)	30,000 retailers filing sales and use tax returns (entity could not say how many of these are small businesses)
223	Professional, Scientific, and Technical Services (Boarding of Animals)	130 veterinary hospitals and kennels
228	Retail Trade (Vending Machine Operators)	86 vending machine operators
233	Retail Trade (Food Stamp Purchases)	1,010 food markets and convenience stores
235	Manufacturing; Retail Trade (Bottles and Other Returnable Containers)	3 bottling companies; “numerous retailers and manufacturers of beverages”

Except as previously noted, these tables are based on entity economic impact statements.

TAXATION'S IMPACT ON SMALL BUSINESS: PERIOD TWO, DETAIL (CONTINUED)		
Impact on Specific Sectors (continued)		
Impacting Regulation's ERLID #	NAICS Small Business Sector(s) Impacted (title of regulation in parentheses)	Entity Estimate of Number of Rhode Island Small Businesses
RECEIVED IN PERIOD ONE (CONTINUED)		
238	Health Care and Social Assistance (Medical Laboratories)	214 medical laboratories (entity could not say how many of these are small businesses)
240	Transportation and Warehousing (Commercial Ships, Barges or Other Vessels over 50 Tons)	7 commercial ships, barges or vessels over 50 tons
244	Construction (Conveyor Systems and Elevator Installations)	4 elevator contractors; "the vast majority are small businesses"
247	Retail Trade (Damaged Goods)	30,000 retailers filing sales and use tax returns (entity could not say how many of these are small businesses)
250	Manufacturing (Display Containers)	43 manufacturers
263	Arts, Entertainment, and Recreation (Golf and Country Clubs)	59 golf and country clubs, with one-third of them private country clubs (entity could not say how many of these are small businesses)
265	Agriculture, Forestry, Fishing, and Hunting (Livestock and Poultry)	20 farms, livestock dealers, and poultry services (entity could not say how many of these are small businesses)
278	Administrative and Support and Waste Management and Remediation Services (Hazardous Waste Recycling, Reuse, and Treatment)	7 hazardous waste recyclers and oil recyclers are registered with DEM (entity could not say how many of these are small businesses)
307	Arts, Entertainment, and Recreation; Health Care and Social Assistance; Professional, Scientific, and Technical Services (Photographers and Photostat Producers, Photo Finishers and Retouchers, X-Rays)	432 photographers, photo finishers and retouchers
316	Retail Trade (Replacement Parts)	All retailers furnishing warranty replacement parts (entity could not quantify)
317	Retail Trade (Returned Merchandise)	30,000 retailers filing sales and use tax returns (entity could not say how many of these are small businesses)
320	Retail Trade (Social and Fraternal Organizations)	Any of the 30,000 retailers filing sales and use tax returns that make sales to social and fraternal organizations (entity could not say how many of these are small businesses)
328	Manufacturing; Health Care and Social Assistance (Dentists and Dental Laboratories)	1,165 dentists, oral surgeons, dental laboratories, orthodontists, and periodontists (entity could not say how many of these are small businesses)
329	Retail Trade (Television Sets and Attachments)	300 television retailers (entity could not say how many of these are small businesses)
356	Retail Trade (Refundable Deposit for Disposal of Used Batteries)	Battery retailers (entity could not quantify)

Except as previously noted, these tables are based on entity economic impact statements.

TAXATION'S IMPACT ON SMALL BUSINESS: PERIOD TWO, DETAIL (CONTINUED)		
Impact on Specific Sectors (continued)		
Impacting Regulation's ERLID #	NAICS Small Business Sector(s) Impacted (title of regulation in parentheses)	Entity Estimate of Number of Rhode Island Small Businesses
RECEIVED IN PERIOD ONE (CONTINUED)		
388	Information (Newspapers and Periodicals)	52 publishers (entity could not say how many of these are small businesses)
403	Retail Trade (Bibles and other Canonized Scriptures)	Book stores (entity did not quantify); 17 religious stores ("vast majority are small businesses")
405	Administrative and Support and Waste Management and Remediation Services (Pollution Control Facilities)	7 pollution control facilities are registered with DEM
410	Retail Trade (Cellular Telephones/Bundled Transactions/Promotional Use)	159 retail businesses selling cellular telephone stores and retail electronic stores
416	Other Services; Retail Trade (New Motor Vehicle Purchased by Used Car Dealers or Auto Body Mechanics)	290 auto body shops and 425 used car dealers
433	Retail Trade (Sales Made By Blind Persons)	18 retail business locations operating under the Division of Services for the Blind and Visually Impaired; the vast majority are small businesses
437	Construction; Real Estate and Rental and Leasing (Mobile and Manufactured Homes)	57 mobile and manufactured home dealers, mobile and manufactured home communities, and home construction companies
438	Professional, Scientific, and Technical Services; Manufacturing (Qualifying Research and Development Firms' Equipment)	118 companies are directly engaged in R&D
449	Manufacturing; Retail Trade; Wholesale Trade (Cigarette Tax/Dealers' and Distributors' Reports and Records)	1,200 cigarette dealers and distributors
450	Manufacturing; Retail Trade; Wholesale Trade (Cigarette Tax/Licenses)	1,200-1400 cigarette dealers and distributors
451	Retail Trade; Wholesale Trade (Cigarette Tax/Purchasing and Applying Indicia)	From 0 to 1,400 cigarette distributors using indicia
452	Retail Trade; Wholesale Trade (Cigarette Tax/Redemptions and Refunds)	From 0 to 1,400 cigarette distributors with unused, mutilated, or torn stamps
453	Retail Trade; Wholesale Trade (Cigarette Tax/Physical Inventories of Cigarettes and Indicia)	From 0 to 1,400 cigarette distributors, regarding Taxation's authority to take inventory of cigarettes and indicia

Except as previously noted, these tables are based on entity economic impact statements.

TAXATION'S IMPACT ON SMALL BUSINESS: PERIOD TWO, DETAIL (CONTINUED)		
Impact on Specific Sectors (continued)		
Impacting Regulation's ERLID #	NAICS Small Business Sector(s) Impacted (title of regulation in parentheses)	Entity Estimate of Number of Rhode Island Small Businesses
RECEIVED IN PERIOD ONE (CONTINUED)		
455	Manufacturing; Retail Trade; Wholesale Trade (Cigarette Tax/Reports and Records of Carriers, Bailers and Warehousemen)	From 0 to 1,400 cigarette dealers and distributors, regarding common carriers who transport cigarettes into the state (entity did not indicate how many of these may be small businesses; entity did not provide specific numbers of carriers, bailers and warehousemen)
456	Retail Trade; Wholesale Trade (Distribution of Sample Packages)	From 0 to 1,400 cigarette distributors regarding affixing stamps to sample packages
457	Manufacturing; Retail Trade; Wholesale Trade (Tax Exempt Cigarette Sales)	From 0 to 1,400 cigarette distributors regarding exemptions for certain instrumentalities
458	Manufacturing; Retail Trade; Wholesale Trade (Minimum Pricing of Cigarettes)	1,200 cigarette dealers and distributors
460	Manufacturing; Retail Trade; Wholesale Trade (Cigarette Tax/Vending Machines)	6 cigarette vending machine dealers
570	Accommodation and Food Services (Litter Control/Participation Permit)	5,500 to 6,000 businesses selling taxable food or beverages
572	Retail Trade; Other Services (Litter Control/Hard-to-Dispose Materials)	200 to 300 automotive-related businesses selling lubricating oil, tires, antifreeze, or organic solvents
611	Real Estate and Rental and Leasing; Professional, Scientific, and Technical Services (Withholding/Sale of Real Property by Non-Residents)	Real estate agents, attorneys, accountants, and title search, mortgage, and other related professionals (entity could not quantify, or say how many of these may be small businesses)
624	Real Estate and Rental and Leasing; Professional, Scientific, and Technical Services (Withholding/Sale of Real Property by Non-Residents/LLCs)	Real estate agents, attorneys, accountants, and title search, mortgage, and other related professionals (entity could not quantify, or say how many of these may be small businesses)
1674	Construction; Retail Trade (Materialmen/Pay When Paid Remittance)	15 lumber retailers and building suppliers
1675	Health Care and Social Assistance (Nursing, Convalescent, and Homes for Elderly)	100 (entity did not indicate how many of these may be nonprofits and thus exempt, or may be small businesses)
1676	Construction; Manufacturing; Professional, Scientific, and Technical Services; Retail Trade (Billboards and Signs)	1,200 sign companies, painters, subcontractors, graphic designers, advertisers, and their customers
4307	Other Services (Repairers and Reconditioners)	Entity could not quantify

Except as previously noted, these tables are based on entity economic impact statements.

TAXATION'S IMPACT ON SMALL BUSINESS: PERIOD TWO, DETAIL (CONTINUED)		
Impact on Specific Sectors (continued)		
Impacting Regulation's ERLID #	NAICS Small Business Sector(s) Impacted (title of regulation in parentheses)	Entity Estimate of Number of Rhode Island Small Businesses
RECEIVED IN PERIOD ONE (CONTINUED)		
4312	Health Care and Social Assistance; Wholesale Trade; Retail Trade (Medical Equipment and Supplies)	189 retailers of medical equipment; wholesalers of medical supplies (entity did not provide a figure)
4320	Health Care and Social Assistance (Oculists, Optometrists, Opticians and Ophthalmologists)	"101 registered eye doctors" (entity did not provide figures for additional eye professionals)
4322	Retail Trade (Resale Certificate)	Any of the 30,000 retailers remitting sales tax that issue resale certificates
5457	Professional, Scientific, and Technical Services (Advertising Agencies)	23 advertising agencies
5995	Accommodation and Food Services (Food and Food Ingredients, Prepared Food/Meals, Candy, Soft Drinks, Dietary Supplements, and Alcoholic Beverages)	6,000 businesses selling taxable food/beverages
6629	Retail Trade (Records)	30,000 retailers filing sales and use tax returns (entity could not say how many of these are small businesses)
6971	Retail Trade (Sales Tax Exemption/Clothing and Footwear)	1,874 clothing retailers remitting sales tax (entity could not say how many of these are small businesses)
RECEIVED IN PERIOD TWO		
135	Retail Trade (Optional Service, Maintenance and Extended Warranty Contracts)	Any retailer (e.g. electronic stores, automobile dealers, department stores, etc.) who provide these types of optional services and contracts (entity did not quantify)
208	Retail Trade (Advertising Materials)	Any of the 30,000 retailers filing sales and use tax returns that use advertising materials in the course of business
237	Retail Trade (Cancellation and Amendment of Sales Tax Permit or of a Certificate of Authority to Collect the Use Tax)	Any of the 30,000 retailers filing sales and use tax returns, as well as those which possess a certificate of authority (entity could not say how many of these are small businesses)
241	Retail Trade (Containers and Labels)	Any of the 30,000 retailers filing sales and use tax returns that sell containers and labels (entity could not say how many of these are small businesses)
249	Retail Trade (Demonstration and Display)	30,000 retailers filing sales and use tax returns (entity could not say how many of these are small businesses)

Except as previously noted, these tables are based on entity economic impact statements.

TAXATION'S IMPACT ON SMALL BUSINESS: PERIOD TWO, DETAIL (CONTINUED)		
Impact on Specific Sectors (continued)		
Impacting Regulation's ERLID #	NAICS Small Business Sector(s) Impacted (title of regulation in parentheses)	Entity Estimate of Number of Rhode Island Small Businesses
RECEIVED IN PERIOD TWO (CONTINUED)		
252	Manufacturing (Engravers)	Entity could not quantify
288	Retail Trade; Transportation and Warehousing; Wholesale Trade (Packers, Loaders, Shippers)	Any in the business of packing, loading, or shipping commodities (e.g. wholesalers, retailers, transportation or moving companies) (entity did not quantify)
311	Manufacturing (Producing, Fabricating and Processing Property Furnished by Consumers)	Over 500 companies involved in producing, fabricating, processing, printing, or imprinting tangible personal property (entity could not say how many of these are small businesses)
322	Retail Trade (Tax Collections/Trust Funds)	Any of the 30,000 retailers filing sales and use tax returns that are involved with tax as property held in trust for the State (entity could not say how many of these are small businesses)
349	Other Services (Automobile Repairers)	715 automobile repairers
359	Retail Trade (Promoters/Promotion of Shows)	Any of the 300 to 400 vendors who set up at a RI show, who make the sale of tangible personal property
441	Transportation and Warehousing (Trucks, Trailers and Buses – Interstate Carriers)	1,400 common carriers within the trucking and busing industry used exclusively in interstate commerce
442	Arts, Entertainment, and Recreation (Tax Exemption of Sales by Writers, Composers and Artists)	187 writers, composers or artists residing in an economic development zone (“vast majority are small businesses”)
1243	Retail Trade (Receipts for Use Tax Paid to Retailers)	All retailers that are either required or authorized to collect use tax from a purchaser (entity did not quantify)
1275	Retail Trade (Use of Motor Vehicles by Dealers)	550 new and used motor vehicle dealers
1871	Accommodation and Food Services (Room Rentals by Hotels, Rooming Houses, and Tourist Camps)	Approximately 400 hotels, motels, inns, apartment hotels, rooming houses, lodging houses, tourist houses or campus, summer camps, resort lodges, and cabins (“exact amount is difficult to determine because of the wide variety of applicable businesses”; entity did not indicate how many of these may be small businesses)
2336	Agriculture, Forestry, Fishing, and Hunting (Commercial Fishermen)	3,000 licensed commercial fishermen; and industries providing goods to commercial fishermen (entity did not quantify)

Except as previously noted, these tables are based on entity economic impact statements.

TAXATION'S IMPACT ON SMALL BUSINESS: PERIOD TWO, DETAIL (CONTINUED)		
Impact on Specific Sectors (continued)		
Impacting Regulation's ERLID #	NAICS Small Business Sector(s) Impacted (title of regulation in parentheses)	Entity Estimate of Number of Rhode Island Small Businesses
RECEIVED IN PERIOD TWO (CONTINUED)		
2351	Agriculture, Forestry, Fishing, and Hunting (Commercial Fishing Vessels in Excess of Five Net Tons)	Any of the 3,000 licensed commercial fishermen with vessels in excess of five net tons; industries providing goods to commercial fishermen (entity did not quantify)
2813	Retail Trade (Motor Vehicles Sold to Nonresidents)	550 new and used motor vehicle dealers
4306	Agriculture, Forestry, Fishing, and Hunting (Farm Equipment and Farm Structure Construction Materials)	800 farmers
4313	Retail Trade (Delivery Charges)	30,000 retailers filing sales and use tax returns (entity could not say how many of these are small businesses)
4321	Manufacturing, Wholesale Trade (Printing and Related Industries)	Over 500 direct mail, printers (of all types), and other related industries (entity could not say how many of these are small businesses)
4324	Retail Trade (Coupons – Discounted Selling Price – Buydowns)	30,000 retailers filing sales and use tax returns (entity could not say how many of these are small businesses)
5455	Professional, Scientific, and Technical Services (Electronic Filing – Preparer Mandate)	Any paid tax preparer who filed more than 100 RI returns during the previous calendar year (entity did not quantify)
6528	Retail Trade (Computers and Related Systems)	Any of the 30,000 retailers filing sales and use tax returns that sell computers, related components and software
6529	Retail Trade (Drugs, Medicines and Health Care Products)	Any of the 30,000 retailers filing sales and use tax returns that sell drugs, medicines and health care products
6973	Professional, Scientific, and Technical Services (Pet Care Services)	Any of the 500 pet care services, veterinarians, pet hospitals, boarders, groomers, stores, or kennels that provide non-medical services
General Impacts		
Impacting Regulation's ERLID #	NAICS Small Business Sector(s) Impacted (title of regulation in parentheses)	Entity Estimate of Number of Rhode Island Small Businesses
RECEIVED IN PERIOD ONE		
248	Any business required to file a tax return by mail (Deadlines/Weekends and Holidays)	Entity could not quantify
258	Any business charging a finance, interest, insurance, or other charge	Entity could not quantify

Except as previously noted, these tables are based on entity economic impact statements.

TAXATION'S IMPACT ON SMALL BUSINESS: PERIOD TWO, DETAIL (CONTINUED)		
General Impacts (continued)		
Impacting Regulation's ERLID #	NAICS Small Business Sector(s) Impacted (title of regulation in parentheses)	Entity Estimate of Number of Rhode Island Small Businesses
RECEIVED IN PERIOD ONE (CONTINUED)		
261	Any retailer, service provider, contractor, or other business issuing gift certificates (Gift Certificates)	Entity could not quantify
262	Any retailer, service provider, contractor, or other business issuing gifts or premiums (Gifts or Premiums)	Entity could not quantify
299	All business partnerships (Partnership Dissolution and Distribution of Assets)	2,487 partnerships (entity could not say how many of these are small businesses)
321	All businesses affected by sales made by auctioneers, including auctioneers, auction houses, executors, administrators, trustees, receivers or other court officers	125 auctioneers are licensed by DBR; entity did not provide any additional figures
324	All business entities with properly recorded assets (Sales and Use Tax/Notice to Administrator of Sale of Assets)	30,000 retailers filing sales and use tax returns; "there are also undeterminable amounts of service providers, contractors, and hybrid industries which do not require a sales tax permit"
387	All business that collect and remit sales tax (Reports, Payments and Penalties)	30,000 retailers filing sales and use tax returns; "there are also undeterminable amounts of service providers, contractors, and hybrid industries that may also be impacted by reports, payments and penalties"
466	Any business invested in a certified venture capital partnership (Tax Credits/Deductions – Small Business Capital Development Tax Credit)	Entity could not quantify
469	Any employer providing daycare assistance (Daycare Assistance and Development Tax Credit)	"All business are eligible"
505	Any incorporated business which amends a tax return (Amended Corporate Tax Returns)	"All small businesses may be affected"
508	Any incorporated business (Ability to Apportion Net Income)	"All small businesses may be affected"
628	Any business that underpays estimated tax (Underpayment of Estimated Personal Income Tax Charges)	Entity could not quantify
632	All businesses that must withhold wages (Personal Income Tax/Employers' Withholding)	"All employers"
736	All businesses that must withhold wages (Personal Income Tax/Employers' Withholding)	"All employers"

Except as previously noted, these tables are based on entity economic impact statements.

TAXATION'S IMPACT ON SMALL BUSINESS: PERIOD TWO, DETAIL (CONTINUED)		
General Impacts (continued)		
Impacting Regulation's ERLID #	NAICS Small Business Sector(s) Impacted (title of regulation in parentheses)	Entity Estimate of Number of Rhode Island Small Businesses
RECEIVED IN PERIOD ONE (CONTINUED)		
987	All occupational and professional services (examples include physicians, oculists, veterinarians, barbers, lawyers, painters, hospitals, schools, laundries) (Occupational and Professional Services)	Entity could not quantify
1244	All Rhode Island businesses (Taxpayer Rights and Responsibilities)	"All businesses"
2429	Any business seeking a net operating cost deduction (Net Operating Loss Limitation)	Entity could not quantify
2875	All Rhode Island businesses (Corporation Tax/Allocation of Income and Net Worth)	"All small businesses may be affected"
4317	Any business involved in the trucking of goods (Interstate Sales)	1,015 involved in interstate commerce
5461	Any franchised business (Apportionment of Franchise Tax)	Entity did not quantify
5858	Any business that creates new employment in the state (Jobs Development Act)	"All small businesses are eligible"
6853	Any corporation selling a major portion of RI assets (Corporation Tax/Notice to Administrator of Sale of Assets)	"All small businesses may be affected"
6856	Any (Corporation Tax/Estimated Tax Payments)	"All small businesses may be affected"
RECEIVED IN PERIOD TWO		
245	All businesses purchasing tangible property outside of Rhode Island (Credit Against RI Use Tax for Sales/Use Tax Paid in Another Jurisdiction)	"All taxpayers may be affected"
270	All businesses that own motor vehicles in Rhode Island and are involved in a merger (Motor Vehicles/Merging Corporations)	Any of the 10,000 to 25,000 small businesses that are involved in a merger
271	All businesses that own motor vehicles (Sale of a Motor Vehicle by an Administrator, Executor, Guardian, etc.)	Any of the 10,000 to 25,000 small businesses that are involved in a sale of a motor vehicle by an administrator, executor, guardian, etc.
272	All businesses that owe tax on purchased motor vehicles (Motor Vehicles/Due Date of Tax)	Any of the 10,000 to 25,000 small businesses that purchase motor vehicles
274	All businesses that purchase repossessed vehicles (Purchase of a Repossessed Vehicle)	Any of the 10,000 to 25,000 small businesses that purchase a repossessed vehicle
986	All businesses with contractors and subcontractors (Contractors and Subcontractors)	11,267 licensed contractors
2352	All businesses that purchase vehicles to be registered in the state (Motor Vehicles/Payment of Tax as Prerequisite to Registration)	Any of the 10,000 to 25,000 small businesses that purchase and register vehicles

Except as previously noted, these tables are based on entity economic impact statements.

TAXATION'S IMPACT ON SMALL BUSINESS: PERIOD TWO, DETAIL (CONTINUED)		
General Impacts (continued)		
Impacting Regulation's ERLID #	NAICS Small Business Sector(s) Impacted (title of regulation in parentheses)	Entity Estimate of Number of Rhode Island Small Businesses
RECEIVED IN PERIOD TWO (CONTINUED)		
2353	All businesses that trade in vehicles for the purchase of a new vehicle (Motor Vehicles/Trade-In Allowance)	Any of the 10,000 to 25,000 small businesses that purchase and register vehicles
4314	All businesses that impose tax on consumers (Taxes Imposed on Consumer)	"Potentially any and all businesses; it is indeterminable how many are small businesses"
5860	All businesses a) remitting \$200/month or more in sales tax, or b) remitting withholding tax and having 10 or more employees	Entity did not provide
6850	Any retailer or company that rents or leases tangible personal property (Rental and Leases of Tangible Personal Property)	A variety of businesses including car dealers, car or truck rental companies, commercial real estate companies, and electronics, furniture, or hardware retailers or rental companies (entity did not quantify)

Except as previously noted, these tables are based on entity economic impact statements.

Department of Environmental Management (DEM)

Description: DEM is charged with the protection, restoration and management of the State’s natural resources. This includes more than 14,000 acres of state park and management areas.	Supervising Entity	None
	Other Entities Affected	Department of Administration (DOA) Coastal Resources Management Council (CRMC) Office of Energy Resources (OER) Department of Motor Vehicles (DMV) Department of Transportation (DOT) Public Transit Authority (RIPTA)

DEM COMPLIANCE STATUS: PERIOD TWO

Exempt from Review: PARTIAL	Compliance Status: COMPLIANT	Regulations submitted for review: 113 of 186 (60.8 percent)
Percentage of Total DEM Regulations Reviewed as of Period Two		
2 of these 113 submissions were found to be exempt after submission, leaving 111 non-exempt submissions . These 2 are included only in this Compliance section, and are not included in any of the below sections.		

MEASURES OF IMPACT AND INFLUENCE: PERIOD TWO

Small Business Impact	HIGH	91 of 111 regulations (82.0 percent) have small business impact 20 of 111 regulations (18.0 percent) do not have small business impact
Federal Influence	MODERATE	41 of 111 regulations (36.9 percent) were identified as influenced by Federal law or rulemaking
State Influence	MODERATE	70 of 111 regulations (63.1 percent) were identified as influenced by Rhode Island General Law
IMPACT/INFLUENCE KEY: <u>HIGH</u> : > 75% regulations <u>MODERATE</u> : 25% to 75% regulations <u>LOW</u> : < 25 % regulations <u>NONE</u> : No regulations		

DEM’S IMPACT ON SMALL BUSINESS: PERIOD TWO, SUMMARY

The 91 regulations with small business impact are broken down in two groups, which include DEM’s estimates of how many small businesses each regulation impacts. The groups, found after the “Recommendations” section, are:
<ul style="list-style-type: none"> • Specific Sectors: 79 regulations impact applicable businesses in specific sector(s), as identified by DEM. • General Impacts: 12 regulations impact applicable businesses in all sectors, as identified by DEM.

Except as previously noted, these tables are based on entity economic impact statements.

RECOMMENDATIONS FOR DEM REGULATORY REFORM: PERIOD TWO

- DEM identified at least one potentially duplicative or conflicting regulation. Review Recommendation Area #4 (“Remove Duplicative Regulations and ‘Non-Regulations’”) in the Period One report, and determine if these can and should be streamlined. Please provide ORR with a status update and timeline.
- DEM identified 19 regulations to amend, and 1 regulation to repeal. Please provide ORR with a status update and timeline on amending and repealing each of these regulations.
- DEM identified at least one of the five suggested small business accommodations for at least one of its regulations. Please provide ORR with a status update and timeline on these accommodations.
- DEM did not consistently submit complete, quantified costs of establishing and enforcing these regulations. Review Recommendation Area #8 (“Support Improved Cost-Benefit Analysis”) in both the Period One and Two reports, and work to quantify this key regulatory impact. Contact ORR for assistance.
- DEM did not directly contact small businesses in preparing the EIS form (would not typically include public hearings). Entities that did so were better equipped to quantify impact data. Review Recommendation Areas #7 (“Promote Lawmaker and Small Business Participation in Reform”) and #8 (“Support Improved Cost-Benefit Analysis”) in both the Period One and Two reports, and seek out small business input. ORR can facilitate connections to relevant business organizations.
- Regulations should be clear and understood by those they regulate. Review Recommendation Area #3 (“Improve Accessibility to Regulations”) in the ORR Period One report. Use Microsoft Word’s readability statistics to evaluate and improve the readability of DEM’s regulatory language.

DEM’S IMPACT ON SMALL BUSINESS: PERIOD TWO, DETAIL

Impact on Specific Sectors

Impacting Regulation’s ERLID #	NAICS Small Business Sector(s) Impacted (title of regulation in parentheses)	Entity Estimate of Number of Rhode Island Small Businesses
RECEIVED IN PERIOD ONE		
330	Retail Trade; Agriculture, Forestry, Fishing and Hunting (Rhode Island Trout Conservation Stamp)	74 vendors that sell trout stamps
853	Agriculture, Forestry, Fishing and Hunting (Rules and Regulations Relating to Commercial Feed)	10 feed/pet food producers
904	Agriculture, Forestry, Fishing and Hunting (Rules and Regulations Relating to Importation of Equines from Contagious Equine Metritis Affected Countries)	2 dedicated quarantine facilities
906	Agriculture, Forestry, Fishing and Hunting (Rules and Regulations Pertaining to Infectious Diseases of Swine)	103 hog farms in Rhode Island
913	Agriculture, Forestry, Fishing and Hunting (Swine Garbage Feeding Permit Requirement Regulations)	7 hog farms in Rhode Island are licensed as garbage feeders
998	Agriculture, Forestry, Fishing and Hunting (Rules and Regulations for the Grading of Honey)	30 commercial beekeepers and producers of honey products
1001	Agriculture, Forestry, Fishing and Hunting (Regulations for the Production and Distribution of Nursery Stock)	83 based on the number of nurseries (workers) licensed and certified

Except as previously noted, these tables are based on entity economic impact statements.

DEM'S IMPACT ON SMALL BUSINESS: PERIOD TWO, DETAIL (CONTINUED)

Impact on Specific Sectors (continued)

Impacting Regulation's ERLID #	NAICS Small Business Sector(s) Impacted (title of regulation in parentheses)	Entity Estimate of Number of Rhode Island Small Businesses
RECEIVED IN PERIOD ONE (CONTINUED)		
1005	Retail Trade; Administration and Support and Waste Management and Remediation Services (Solid Waste Regulation No.5 Waste Tire Storage and Recycling Facility)	60 auto salvage yards and 60 used tire dealers
1006	Administrative and Support and Waste Management and Remediation Services (Solid Waste Regulation No. 4 Incinerators and Resource Recovery Facilities)	Incinerators or resource recovery facilities that have the ability to produce material or energy to be used in manufacturing, agriculture or other processes (currently none)
2135	Agriculture, Forestry, Fishing and Hunting (Rules and Regulations for Enforcement of the Farm, Forest, and Open Space Act)	800 farmers
2163	Manufacturing; Health Care and Social Assistance (Rules and Regulations for Wastewater Treatment Operators)	1 nursing home and 1 fabric dying company
3266	Agriculture, Forestry, Fishing and Hunting (Rules and Regulations Governing the Suppression of White Pine Blister Rust Suppression of White Pine Blister Rust)	83 based on the number of nurseries (workers) licensed and certified
4510	Manufacturing (Air Pollution Control Regulation No. 15- Control of Organic Solvent Emissions)	1 manufacturer of fiberglass boats and plastic composites
4517	Other Services (Air Pollution Control Regulation No. 23- Control of Perchloroethylene Emissions from Dry Cleaning Operations)	55 perchloroethylene dry cleaners
4529	Health Care and Social Assistance (Air Pollution Control Regulation No. 39- Hospital/Medical/Infectious Waste Incinerators)	Currently none (would affect new projects only)
4532	Manufacturing (Air Pollution Control Regulation No. 42- Heavy-Duty Diesel Engine Standards)	Diesel truck manufacturers (currently none)
4724	Manufacturing (Rules and Regulations for Dam Safety)	50 to 60 privately or company-owned dams
4729	Manufacturing; Health Care and Social Assistance; Utilities; Wholesale Trade (Rules and Regulations for the Operations and Maintenance of Wastewater Treatment Facilities)	1 nursing home; 2 fabric dying companies; 1 petro-chemical storage; 1 power plant; 1 fish processing facility
5053	Agriculture, Forestry, Fishing and Hunting (Rules and Regulations Governing the Identification of Sheep and Goats)	96 goat herds; 107 sheep flocks; 1 livestock market; 1 slaughterhouse
5061	Agriculture, Forestry, Fishing and Hunting (Rules Related to Cultural Practices for Branding Products of the Farm)	21 based on the number of farms and handlers certified as organic

Except as previously noted, these tables are based on entity economic impact statements.

DEM'S IMPACT ON SMALL BUSINESS: PERIOD TWO, DETAIL (CONTINUED)

Impact on Specific Sectors (continued)

Impacting Regulation's ERLID #	NAICS Small Business Sector(s) Impacted (title of regulation in parentheses)	Entity Estimate of Number of Rhode Island Small Businesses
RECEIVED IN PERIOD ONE (CONTINUED)		
5997	Professional, Scientific and Technical Services; Retail Trade (Rules and Regulations Governing the Prevention, Control, and Suppression of Rabies within the State of Rhode Island)	200 licensed veterinarians and 20 pet shops
5998	Retail Trade (Rules and Regulations Governing the Importation and Possession of Exotic Wild Animals)	20 pet shops
6179	Arts, Entertainment and Recreation (Rules and Regulations for Dredging and the Management of Dredged Material)	80 marinas and ports
6543	Professional, Scientific and Technical Services (Rules and Regulations Governing Wildlife Rehabilitation)	15 wildlife rehabilitators
6669	Health Care and Social Assistance (Rules and Regulations for Sewage Sludge Management)	2 businesses that generate sewage sludge
6875	Retail Trade (RI Freshwater and Anadromous Fishing Regulations & Season)	75 vendors that sell Rhode Island resident and non-resident fishing licenses
6980	Agriculture, Forestry, Fishing and Hunting (RI Falconry Regulations for the 2012 - 2013 Season)	5 falconers
6981	Retail Trade (RI Hunting Regulations for the Waterfowl Season 2012 – 2013)	75 vendors that sell Rhode Island resident and non-resident hunting licenses
7037	Agriculture, Forestry, Fishing and Hunting (Commercial and Recreational Saltwater Fishing Licensing Regulations)	3,000 commercial fishermen and seafood dealers
7038	Agriculture, Forestry, Fishing and Hunting (2013 Management Plan for the Shellfish Fishery Sector)	3,000 commercial fishermen and seafood dealers
7039	Agriculture, Forestry, Fishing and Hunting (2013 Management Plan for the Finfish Fishery Sector)	3,000 commercial fishermen and seafood dealers
7040	Agriculture, Forestry, Fishing and Hunting (2013 Management Plan for the Crustacean Sector)	3,000 commercial fishermen and seafood dealers
7105	Agriculture, Forestry, Fishing and Hunting (Rules and Regulations Governing the Importation of Animals)	276 cattle farms, 103 hog farms, 200 poultry farms, 366 horse farms, 107 sheep and lamb farms, 96 goat farms, 24 "other livestock" establishments, 20 pets shops, 4 entities registered as commercial carriers, 1 slaughterhouse and 1 livestock market
7182	Retail Trade (Hunting Regulations for the 2012-2013 Season)	75 vendors sell Rhode Island resident and non-resident hunting licenses
7185	Manufacturing (Air Pollution Control Regulation No. 37- Rhode Island's Low Emissions Vehicle Program)	Auto manufacturers (currently none)

Except as previously noted, these tables are based on entity economic impact statements.

DEM'S IMPACT ON SMALL BUSINESS: PERIOD TWO, DETAIL (CONTINUED)

General Impacts

Impacting Regulation's ERLID #	Types of Businesses Impacted	Entity Estimate of Number of Rhode Island Small Businesses
RECEIVED IN PERIOD TWO		
588	Agriculture, Forestry, Fishing and Hunting; Wholesale Trade; Retail Trade (Rules and Regulations Governing the Taking, Possession, Holding, Bartering, & Trading of Shellfish - Shellfish Buyer Regulations)	108 licensed shellfish dealers and 1362 licensed shell fishermen
615	Arts, Entertainment, and Recreation; Other Services (Beach Rules and Regulations)	110 public campgrounds, beaches and swimming pools
715	Retail Trade (RI Ferret Regulations)	200 distribution and pet stores
761	Agriculture, Forestry, Fishing and Hunting; Professional, Scientific, and Technical Services; Retail Trade (Rules and Regulations for Licensing and Registration of Arborists)	800 licensed arborists
829	Administrative and Support and Waste Management and Remediation Services; Other Services (Rules and Regulations-Recycling and Litter Control Grants)	30 commercial recyclers and 60 waste disposal companies
926	Agriculture, Forestry, Fishing and Hunting (Rules and Regulations for Agricultural Composting)	10 agricultural composters
927	Agriculture, Forestry, Fishing and Hunting (Rules and Regulations Relating to Fertilizers)	100 farming fertilizer producers
928	Agriculture, Forestry, Fishing and Hunting; Retail Trade (Agricultural Liming Materials Rules and Regulations)	40 agricultural lime producers
994	Agriculture, Forestry, Fishing and Hunting (Rules and Regulations under the Rhode Island Seed Law)	Entity did not quantify
996	Agriculture, Forestry, Fishing and Hunting (Rules and Regulations Relating to Shell Egg)	4 producers of egg shell products
999	Agriculture, Forestry, Fishing and Hunting; Transportation and Warehousing; Retail Trade (Rules and Regulations for Out of State Honey Bee Quarantine to Prevent Entry of Varroa Mite into Rhode Island)	30 commercial beekeepers
1000	Agriculture, Forestry, Fishing and Hunting (Rules and Regulations Relating to Deer Damage)	50 farmers issued deer damage permits
1047	Agriculture, Forestry, Fishing and Hunting (Rules and Regulations for the Rhode Island Natural Heritage Preservation Commission)	1,219 dairy farms, poultry farms, and vegetable and fruit farms
1843	Agriculture, Forestry, Fishing and Hunting (RI Marine Fisheries Statutes and Regulations - Part VIII - Oyster Regulations)	3,000 commercial fishermen and seafood dealers

Except as previously noted, these tables are based on entity economic impact statements.

DEM'S IMPACT ON SMALL BUSINESS: PERIOD TWO, DETAIL (CONTINUED)

Impact on Specific Sectors (continued)

Impacting Regulation's ERLID #	NAICS Small Business Sector(s) Impacted (title of regulation in parentheses)	Entity Estimate of Number of Rhode Island Small Businesses
RECEIVED IN PERIOD TWO (CONTINUED)		
1849	Agriculture, Forestry, Fishing and Hunting (RI Marine Fisheries Statutes and Regulations - Part XIII - Gill Net Regulations)	3,000 commercial fishermen and seafood dealers
2009	Agriculture, Forestry, Fishing and Hunting; Wholesale Trade; Retail Trade (Rules and Regulations Governing Fish and Wildlife Vendor Agents)	75 vendors that sell hunting and fishing licenses
2546	Agriculture, Forestry, Fishing and Hunting (Newport Fishing Port Operations Regulations)	400 commercial fishermen utilizing state docking facilities
2763	Agriculture, Forestry, Fishing and Hunting; Wholesale Trade; Retail Trade (Guidelines for the Distribution of Alternative Forest Use Challenge Grants)	20-30 grants awarded for projects such as maple syrup production and mushroom growing
2785	Agriculture, Forestry, Fishing and Hunting (RI Marine Fisheries Statutes and Regulations - Part IX - Shellfish Buyer's License – Statutes)	3,000 commercial fishermen and seafood dealers
2846	Agriculture, Forestry, Fishing and Hunting (Galilee Port Operations Regulations and Berthing Management System)	400 commercial fishermen utilizing state dockage facilities
3158	Agriculture, Forestry, Fishing and Hunting; Retail Trade (Woods Operators Registration Fee and Intent to Cut Fee Woods Operators Regulations)	40-75 landowners, wood operators, truckers
3556	Agriculture, Forestry, Fishing and Hunting (RI Marine Fisheries Statutes and Regulations - Part X - Equipment Restrictions)	3,000 commercial finfish and shellfish fishermen
4229	Agriculture, Forestry, Fishing and Hunting; Arts, Entertainment, and Recreation; Other Services (Rules and Regulations Governing Importation and Possession of Native Wildlife)	7 permits issues to import and possess native wildlife
4480	Retail Trade; Transportation and Warehousing (Air Pollution Control Regulation No. 34 "Rhode Island Motor Vehicle Inspection/Maintenance Program)	285 authorized auto inspection and repair facilities
4498	Manufacturing; Transportation and Warehousing; Retail Trade; Wholesale Trade (Air Pollution Control Regulation No. 3- Particulate Emissions from Industrial Processes)	Any business that operate equipment that may generate particulate emissions ("in the hundreds")
4503	Manufacturing; Transportation and Warehousing; Retail Trade; Wholesale Trade (Air Pollution Control Regulation No. 8- Sulfur Content of Fuels)	Criteria is based limits of sulfur content of fuel oil and not based on quantity of fuel used for combustion needs (entity could not quantify)

Except as previously noted, these tables are based on entity economic impact statements.

DEM'S IMPACT ON SMALL BUSINESS: PERIOD TWO, DETAIL (CONTINUED)

Impact on Specific Sectors (continued)

Impacting Regulation's ERLID #	NAICS Small Business Sector(s) Impacted (title of regulation in parentheses)	Entity Estimate of Number of Rhode Island Small Businesses
RECEIVED IN PERIOD TWO (CONTINUED)		
4507	Manufacturing; Administrative and Support and Waste Management and Remediation Services; Retail Trade (Air Pollution Control Regulation No. 12- Incinerators)	57-59 businesses with incinerators located at sewage treatment plants, metals reclamation facilities, and crematories both animal and human
4511	Manufacturing; Transportation and Warehousing; Retail Trade; Wholesale Trade (Air Pollution Control Regulation No. 16- Operation of Air Pollution Control Systems)	Any business that emits air pollution and operates an air pollution control system (entity could not quantify)
4526	Manufacturing (Air Pollution Control Regulation No. 35- Control of Volatile Organic Compounds and Volatile Hazardous Air Pollutants from Wood Products Manufacturing Operations)	10 businesses that manufacture wood products and apply coatings to the surfaces of the wood products
5313	Transportation and Warehousing; Retail Trade; Wholesale Trade (Air Pollution Control Regulation No. 11 - Petroleum Liquids Marketing/Storage)	300 gasoline service stations
5943	Agriculture, Forestry, Fishing and Hunting (RI Marine Fisheries Statutes and Regulations – Part XI - Commercial Fisheries)	3,000 commercial finfish and shellfish fishermen
6258	Agriculture, Forestry, Fishing and Hunting (RI Marine Fisheries Statutes and Regulations – Part XIV - Fish Traps)	3,000 commercial fishermen
6265	Agriculture, Forestry, Fishing and Hunting (RI Marine Fisheries Statutes and Regulations - Part V- Bay Scallops)	3,000 commercial fishermen and seafood dealers
6405	Agriculture, Forestry, Fishing and Hunting (RI Marine Fisheries Statutes and Regulations – Part XVII – Maps)	3,000 commercial fishermen and seafood dealers
6801	Agriculture, Forestry, Fishing and Hunting (RI Marine Fisheries Statutes and Regulations - Part I - Legislative Findings)	3,000 commercial finfish and shellfish fishermen
6804	Agriculture, Forestry, Fishing and Hunting (RI Marine Fisheries Statutes and Regulations - Part VI - Dredging for Shellfish)	3,000 commercial fishermen and seafood dealers
6808	Agriculture, Forestry, Fishing and Hunting (RI Marine Fisheries Statutes and Regulations - Part XVIII - Shellfish Grounds)	3,000 commercial fishermen and seafood dealers
6982	Retail Trade (Rules and Regulations Governing Nuisance Wildlife Control Specialist)	51 pest control companies
7210	Agriculture, Forestry, Fishing and Hunting (RI Marine Fisheries Statutes and Regulations - Part XII - Striped Bass)	3,000 commercial fishermen and seafood dealers

Except as previously noted, these tables are based on entity economic impact statements.

DEM'S IMPACT ON SMALL BUSINESS: PERIOD TWO, DETAIL (CONTINUED)

Impact on Specific Sectors (continued)

Impacting Regulation's ERLID #	NAICS Small Business Sector(s) Impacted (title of regulation in parentheses)	Entity Estimate of Number of Rhode Island Small Businesses
RECEIVED IN PERIOD TWO (CONTINUED)		
7212	Agriculture, Forestry, Fishing and Hunting (RI Marine Fisheries Statutes and Regulations - Part XV - Lobsters, Other Crustaceans, and Horseshoe Crabs)	3,000 commercial fishermen and seafood dealers
7224	Agriculture, Forestry, Fishing and Hunting (RI Marine Fisheries Statutes and Regulations - Part VII - Minimum Sizes for Fish/Shellfish)	3,000 commercial fishermen and seafood dealers
7226	Agriculture, Forestry, Fishing and Hunting (RI Marine Fisheries Statutes and Regulations - Part XIX - Fish/Shellfish Dealer Regulations)	3,000 commercial fishermen and seafood dealers
7250	Agriculture, Forestry, Fishing and Hunting (RI Marine Fisheries Statutes and Regulations - Part IV – Shellfish)	3,000 commercial fishermen and seafood dealers
7351	Agriculture, Forestry, Fishing and Hunting (RI Marine Fisheries Statutes and Regulations - Part III - Marine Fisheries Council)	3,000 commercial fishermen and seafood dealers

General Impacts

Impacting Regulation's ERLID #	Types of Businesses Impacted	Entity Estimate of Number of Rhode Island Small Businesses
RECEIVED IN PERIOD ONE		
501	Petroleum terminals; any small business employing an above ground storage tank for petroleum products greater than 500 gallons (Oil Pollution Control Regulations)	1,800 registered aboveground storage tank facilities (entity could not say how many of these are small businesses)
502	Any small business who engages in a regulated environmental violation will be assessed an administrative penalty for violating said regulation (Rules and Regulations for the Assessment of Administrative Penalties)	Businesses engaged in the following: emission of air pollutants; emission of water pollutants; generation of hazardous, solid or medical waste; storage of petroleum products; activities in freshwater wetlands; activities involving septic systems; and maintenance of dams (“potentially thousands”) (entity could not say how many of these are small businesses)
4497	Any small business that operates equipment that generates visible air contaminant emissions (Air Pollution Control Regulation No. 1- Visible Emissions)	Any business that operates fuel burning equipment and/or generate visible emissions (“potentially hundreds”)

Except as previously noted, these tables are based on entity economic impact statements.

DEM'S IMPACT ON SMALL BUSINESS: PERIOD TWO, DETAIL (CONTINUED)

General Impacts (continued)

Impacting Regulation's ERLID #	Types of Businesses Impacted	Entity Estimate of Number of Rhode Island Small Businesses
RECEIVED IN PERIOD ONE (CONTINUED)		
4508	Any business which combusts fuels which generate a maximum capacity of one million BTU/hour or more (Air Pollution Control Regulation No. 13- Particulate Emissions from Fossil Fuel Fired Steam or Hot Water Generating Units)	Entity could not quantify
4604	Any small business which manufactures or uses products with mercury (Rules and Regulations Governing the Administration and Enforcement of the Rhode Island Mercury Education and Reduction Act)	Entity could not quantify
4695	Any participant in the following programs will be subject to an application fee: Rhode Island Pollution Discharge Elimination System and Pretreatment, Wastewater Treatment Facilities Program, Groundwater Quality Certification Program, Water Quality Certification Program, Underground Injection Control Program, Office of Air Resources (Rules and Regulations Governing the Establishment of Various Fees)	Any business that requires new wastewater infrastructure or private drinking well variances, that discharges storm water into the ground, that disturbs greater than 5 acres of land, or that proposes discharge of air pollutants (entity did not quantify)
4999	Any business that disposes its sanitary (human) sewage onsite (Rules and Regulations Governing Establishment of a Uniform Septage Disposal Fee)	Any business that disposes of its sanitary (human) sewage onsite (entity did not quantify)
6069	Any business using road salt for de-icing (Groundwater Quality Rules)	Any private contractor choosing to provide road salting; owners of large parking areas; multiple industries who choose to store road salt in the de-icing of their property (entity could not quantify)
6307	Businesses subject to Air Pollution regulation number 29 (Air Pollution Control Regulation No. 28- Operating Permit Fees)	8 potential major sources of air pollution
6513	Businesses subject to Air Pollution regulation number 29 (Air Pollution Control Regulation No. 29- Operating Permits)	8 potential major sources of air pollution
6857	Any business with groundwater discharge (Rules for the Discharge of Non-Sanitary Wastewater and Other Fluids To or Below the Ground Surface)	Any business with motor vehicles that chooses to repair, maintain or service them (entity could not quantify)
5314	Any business that emits significant quantities of certain toxic air pollutants (Air Pollution Control Regulation No. 22 - Air Toxics)	Currently 1 chemical manufacturer, 1 plastic manufacturer, 1 electro film manufacturer, 1 shipbuilder, 1 medical products manufacturer, and 2 hospitals

Except as previously noted, these tables are based on entity economic impact statements.

Department of Health (DOH)

Description: DOH’s mission is to prevent disease and to protect and promote the health and safety of the people of Rhode Island.	Supervising Entity	Executive Office of Health and Human Services
	Other Entities Affected	Office of the Attorney General (AG) Department of Corrections (DOC) Department of Environmental Management (DEM) Higher Education Assistance Authority (RIHEAA) Housing Resources Committee (HRC) Department of Public Safety (DPS) Division of Taxation (Taxation)

DOH COMPLIANCE STATUS: PERIOD TWO

Exempt from Review: PARTIAL	Compliance Status: COMPLIANT	Regulations submitted for review: 63 of 126 (50.0 percent)
Percentage of Total DOH Regulations Reviewed as of Period Two		
3 of these 63 submissions were found to be exempt after submission, leaving 60 non-exempt submissions . These 3 are included only in this Compliance section, and are not included in any of the below sections.		

MEASURES OF IMPACT AND INFLUENCE: PERIOD TWO

Small Business Impact	MODERATE	17 of 60 regulations (28.3 percent) have small business impact 43 of 60 regulations (71.7 percent) do not have small business impact
Federal Influence	LOW	2 of 60 regulations (3.3 percent) was identified as influenced by Federal law or rulemaking
State Influence	HIGH	58 of 60 regulations (96.7 percent) were identified as influenced by Rhode Island General Law
IMPACT/INFLUENCE KEY:		<u>HIGH</u> : > 75% regulations <u>LOW</u> : < 25 % regulations <u>MODERATE</u> : 25% to 75% regulations <u>NONE</u> : No regulations

DOH’S IMPACT ON SMALL BUSINESS: PERIOD TWO: DETAIL

The 17 regulations with small business impact are broken down in two groups, which include DOH’s estimates of how many small businesses each regulation impacts. The groups, found after the “Recommendations” section, are:
<ul style="list-style-type: none"> • Specific Sectors: 15 regulations impact applicable businesses in specific sector(s), as identified by DOH. • General Impacts: 2 regulations impact applicable businesses in all sectors, as identified by DOH.

Except as previously noted, these tables are based on entity economic impact statements.

RECOMMENDATIONS FOR DOH REGULATORY REFORM: PERIOD TWO

- DOH identified at least one potentially duplicative or conflicting regulation. Review Recommendation Area #4 (“Remove Duplicative Regulations and ‘Non-Regulations’”) in the Period One report, and determine if these can and should be streamlined. Please provide ORR with a status update and timeline.
- DOH identified 1 regulation to repeal. Please provide ORR with a status update and timeline on repealing this regulation.
- DOH identified at least one of the five suggested small business accommodations for at least one of its regulations. Please provide ORR with a status update and timeline on these accommodations.
- DOH did not consistently identify and quantify the businesses it regulates. If it is difficult to make accurate projections, use 3-5 years of historical data to develop a baseline. In addition, DOH did not submit complete, quantified costs of establishing and enforcing these regulations. Review Recommendation Area #8 (“Support Improved Cost-Benefit Analysis”) in both the Period One and Two reports, and work to quantify these key regulatory impacts. Contact ORR for assistance.
- DOH did not directly contact small businesses in preparing the EIS form (would not typically include public hearings). Entities that did so were better equipped to quantify impact data. Review Recommendation Areas #7 (“Promote Lawmaker and Small Business Participation in Reform”) and #8 (“Support Improved Cost-Benefit Analysis”) in both the Period One and Two reports, and seek out small business input. ORR can facilitate connections to relevant business organizations.
- Regulations should be clear and understood by those they regulate. Review Recommendation Area #3 (“Improve Accessibility to Regulations”) in the ORR Period One report. Use Microsoft Word's readability statistics to evaluate and improve the readability of DOH’s regulatory language.

Note: Determination of licensing fees in relation to small business impact calculation: Some regulators considered licensing to be the responsibility of the employee, while others considered it to be a small business cost. For consistency, ORR determined that professional licenses are issued to individuals (and thus are not included in the small business impact calculation), whereas trade licenses are the responsibility of business (and thus are included in the small business impact calculation). Although there may be exceptions to this rule, EIS data supports this determination.

DOH’S IMPACT ON SMALL BUSINESS: PERIOD TWO, DETAIL

Impact on Specific Sectors		
Impacting Regulation’s ERLID #	NAICS Small Business Sector(s) Impacted (title of regulation in parentheses)	Entity Estimate of Number of Rhode Island Small Businesses
RECEIVED IN PERIOD ONE		
132	Health Care and Social Assistance (Termination of Pregnancy)	20 ambulatory centers or physician’s offices are licensed (entity could not say how many of these are small businesses)
2531	Health Care and Social Assistance (Assessment of Pain)	All health care facilities and providers who assess pain (entity could not quantify)
RECEIVED IN PERIOD TWO		
141	Arts, Entertainment, and Recreation (Air Quality in Ice Arenas)	2 ice arenas (entity could not say how many of these are small businesses)

Except as previously noted, these tables are based on entity economic impact statements.

DOH'S IMPACT ON SMALL BUSINESS: PERIOD TWO, DETAIL (CONTINUED)		
Impact on Specific Sectors (continued)		
Impacting Regulation's ERLID #	NAICS Small Business Sector(s) Impacted (title of regulation in parentheses)	Entity Estimate of Number of Rhode Island Small Businesses
RECEIVED IN PERIOD TWO (CONTINUED)		
165	Health Care and Social Assistance (Disposal of Legend Drugs)	All health care facilities and providers who dispose of legend drugs (entity could not quantify)
309	Health Care and Social Assistance (Comprehensive Family Life Program)	Any healthcare facilities that have entered into a provider of services agreement with DOH, which typically non-profits but may include private providers (entity could not quantify)
3745	Health Care and Social Assistance (Birth Defects Registry)	200 pediatric providers (entity could not say how many of these are small businesses)
3825	Health Care and Social Assistance (Health Care Quality Program)	4,141 nursing homes, home health agencies, and licensed physicians (entity could not say how many of these are nonprofits and thus exempt, or how many of these are small businesses)
4007	Health Care and Social Assistance (Nursing Facility Receivership)	Any of the 90 nursing care facilities that fall into receivership (entity could not say how many of these are nonprofits and thus exempt, or how many of these are small businesses)
4607	Health Care and Social Assistance (Traumatic Brain Injury and Spinal Cord Injury Registry)	None (currently, all hospitals are nonprofits and thus exempt)
6423	Health Care and Social Assistance; Agriculture, Forestry, Fishing and Hunting; Retail Trade (Special Supplemental Nutrition Program/WIC & Farmer's Market Nutrition Program)	Program reports 211 based on assigned criteria; however, virtually every store that sells food and accepts WIC would be subject to these requirements
6503	Health Care and Social Assistance (Cancer Registry)	90-95 nursing homes and 100-600 private physician offices
6994	Real Estate and Rental and Leasing; Administrative and Support and Waste Management and Remediation Services (Asbestos Control)	Any owner of a building with asbestos (entity could not quantify); 979 or fewer asbestos-related service providers (entity could not say how many of these are small businesses)
6998	Real Estate and Rental and Leasing; Administrative and Support and Waste Management and Remediation Services (Lead Poisoning Prevention)	Any owner of a building with lead hazards (entity could not quantify); 1,417 or fewer lead-hazard-related service providers (entity could not say how many of these are small businesses)
7047	Construction; Professional, Scientific, and Technical Services (Radon Control)	60 radon-related service providers

Except as previously noted, these tables are based on entity economic impact statements.

DOH'S IMPACT ON SMALL BUSINESS: PERIOD TWO, DETAIL (CONTINUED)		
Impact on Specific Sectors (continued)		
Impacting Regulation's ERLID #	NAICS Small Business Sector(s) Impacted (title of regulation in parentheses)	Entity Estimate of Number of Rhode Island Small Businesses
RECEIVED IN PERIOD TWO (CONTINUED)		
7083	Health Care and Social Assistance (Immunization, Testing, and Health Screening for Health Care Workers)	"Healthcare facilities licensed pursuant to RIGL §23-17" (entity could not say how many of these are nonprofits and thus exempt, or how many of these are small businesses)
General Impacts		
Impacting Regulation's ERLID #	Types of Businesses Impacted	Entity Estimate of Number of Rhode Island Small Businesses
RECEIVED IN PERIOD ONE		
312	Any industry subject to U.S. Consumer Protection Safety Commission (Poison Prevention Packaging Act) - REPEALED 9/24/13	Entity could not quantify
RECEIVED IN PERIOD TWO		
3628	Any business not exempted (Smoke-Free Public Places and Workplaces)	Almost all small businesses, except for retail tobacco stores, smoking bars, and casinos (entity could not quantify)

Except as previously noted, these tables are based on entity economic impact statements.

Coastal Resources Management Council (CRMC)

Description: CRMC’s primary responsibility is to preserve, protect, develop, and where possible to restore the coastal areas of the state via the issuance of permits for work with the coastal zone of the state.	Supervising Entity	Board of Directors
	Other Entities Affected	None identified

CRMC COMPLIANCE STATUS: PERIOD TWO

Exempt from Review: PARTIAL	Compliance Status: COMPLIANT	Regulations submitted for review: 60 of 78 (76.9 percent)
Percentage of Total CRMC Regulations Reviewed as of Period Two		
<p>13 of these 60 submissions were found to be exempt after submission, leaving 47 non-exempt submissions. These 13 are included only in this Compliance section, and are not included in any of the below sections.</p>		

MEASURES OF IMPACT AND INFLUENCE: PERIOD TWO

Small Business Impact	HIGH	41 of 47 regulations (87.2 percent) have small business impact
		6 of 47 regulations (12.8 percent) do not have small business impact
Federal Influence	HIGH	47 of 47 regulations (100 percent) were identified as influenced by Federal law or rule making
State Influence	NONE	0 of 47 regulations (0.0 percent) were identified as influenced by Rhode Island General Law
<p>IMPACT/INFLUENCE KEY: <u>HIGH</u>: > 75% regulations <u>MODERATE</u>: 25% to 75% regulations <u>LOW</u>: < 25 % regulations <u>NONE</u>: No regulations</p>		

CRMC’S IMPACT ON SMALL BUSINESS: PERIOD TWO, SUMMARY

<p>The 41 regulations with small business impact are broken down in two groups, which include CRMC’s estimates of how many small businesses each regulation impacts. The groups, found after the “Recommendations” section, are:</p> <ul style="list-style-type: none"> • Specific Sectors: 2 regulations impact applicable businesses in specific sector(s), as identified by CRMC. • Collective Impacts: CRMC recently rejoined the 63 separate ERLIDs that made up the Coastal Resources Management Plan (“Red Book”) into one ERLID. This table gives the collective specific and general impact of the 39 ERLIDs submitted to date.
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Except as previously noted, these tables are based on entity economic impact statements.

RECOMMENDATIONS FOR CRMC REGULATORY REFORM: PERIOD TWO

- CRMC did not identify and quantify the businesses it regulates. If it is difficult to make accurate projections, use 3-5 years of historical data to develop a baseline. In addition, CRMC did not submit complete, quantified costs of establishing and enforcing these regulations. Review Recommendation Area #8 (“Support Improved Cost-Benefit Analysis”) in both the Period One and Two reports, and work to quantify these key regulatory impacts. Contact ORR for assistance.
- CRMC did not directly contact small businesses in preparing the EIS form (would not typically include public hearings). Entities that did so were better equipped to quantify impact data. Review Recommendation Areas #7 (“Promote Lawmaker and Small Business Participation in Reform”) and #8 (“Support Improved Cost-Benefit Analysis”) in both the Period One and Two reports, and seek out small business input. ORR can facilitate connections to relevant business organizations.
- Regulations should be clear and understood by those they regulate. Review Recommendation Area #3 (“Improve Accessibility to Regulations”) in the ORR Period One report. Use Microsoft Word’s readability statistics to evaluate and improve the readability of CRMC’s regulatory language.

CRMC’S IMPACT ON SMALL BUSINESS: PERIOD TWO, DETAIL

Impact on Specific Sectors

Impacting Regulation’s ERLID #	NAICS Small Business Sector(s) Impacted (title of regulation in parentheses)	Entity Estimate of Number of Rhode Island Small Businesses
RECEIVED IN PERIOD TWO		
5588	Construction (Aquidneck Island Special Area Management Program)	Project-dependent; 51 or fewer
6403	Construction (Metro Bay Special Area Management Program – Urban Coastal Greenways)	Project-dependent; 51 or fewer

Collective Impacts

COLLECTIVE IMPACT OF CRMC’S COASTAL RESOURCES MANAGEMENT PROGRAM (“RED BOOK”)

Primarily for technical reasons, this regulation was previously divided into in 63 separate, but heavily interrelated, ERLIDs. It was recently rejoined, and CRMC will be submitting one EIS with its collective impact. 39 submissions were received in Periods One and Two. The below represents their collective impact to date.

The following 39 ERLIDs were submitted in Periods One and Two:

- One: 2618, 2621, 2622, 2623, 2626, 2627, 2628, 2676, 3035, 5106, 5291, 5814, 6039, 7061.
- Two: 2619, 2633, 2634, 2635, 2636, 2652, 2659, 2663, 2664, 2666, 2668, 2672, 2673, 2675, 3200, 4674, 4807, 5107, 5222, 5289, 5816, 6280, 6401, 6729, and 6925.

Based upon these submissions, the “Red Book” as a whole:

- Generally impacts “any business seeking an assent for activities in specific areas of tidal waters, coastal features, and contiguous areas.”
- Specifically impacts the following NAICS industry sectors: Agriculture, Forestry, Fishing and Hunting; Mining, Quarrying, and Oil and Gas Extraction; Construction; Manufacturing; Transportation and Warehousing; Real Estate and Rental and Leasing; Administrative and Support and Waste Management and Remediation Services; Arts, Entertainment, and Recreation; and Accommodation and Food Services.

Except as previously noted, these tables are based on entity economic impact statements.

Department of Labor and Training (DLT)

Description: DLT provides workforce development, workforce security and workforce protection to the state’s workers, employers and citizens. Through federal and state funding, it offers employment services, educational services and economic opportunity to both individuals and employers. DLT also protects the workforce by enforcing labor laws, prevailing wage rates and workplace health and safety standards. And, the department provides temporary income support to unemployed and temporarily disabled workers.	Supervising Entity	None
	Other Entities Affected	Department of Administration (DOA) Department of Revenue (DOR) Division of Taxation (Taxation)

DLT COMPLIANCE STATUS: PERIOD TWO

Exempt from Review: PARTIAL	Compliance Status: COMPLIANT	Regulations submitted for review: 43 of 44 (97.7 percent)
Percentage of Total DLT Regulations Reviewed as of Period Two		
2 of these 43 submissions were found to be exempt after submission, leaving 41 non-exempt submissions . These 2 are included only in this Compliance section, and are not included in any of the below sections.		

MEASURES OF IMPACT AND INFLUENCE: PERIOD TWO

Small Business Impact	HIGH	33 of 41 regulations (80.5 percent) have small business impact
		8 of 41 regulations (19.5 percent) do not have small business impact
Federal Influence	LOW	9 of 41 regulations (22.0 percent) were identified as influenced by Federal law or rulemaking
State Influence	HIGH	32 of 41 regulations (78.0 percent) were identified as influenced by Rhode Island General Law
IMPACT/INFLUENCE KEY: <u>HIGH</u> : > 75% regulations <u>MODERATE</u> : 25% to 75% regulations <u>LOW</u> : < 25 % regulations <u>NONE</u> : No regulations		

DLT’S IMPACT ON SMALL BUSINESS: PERIOD TWO, SUMMARY

The 33 regulations with small business impact are broken down in two groups, which include DLT’s estimates of how many small businesses each regulation impacts. The groups, found after the “Recommendations” section, are: <ul style="list-style-type: none"> • Specific Sectors: 25 regulations impact applicable businesses in specific sector(s), as identified by DLT. • General Impacts: 8 regulations impact applicable businesses in all sectors, as identified by DLT.
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Except as previously noted, these tables are based on entity economic impact statements.

RECOMMENDATIONS FOR DLT REGULATORY REFORM: PERIOD TWO

- DLT identified at least one potentially duplicative or conflicting regulation. Review Recommendation Area #4 (“Remove Duplicative Regulations and ‘Non-Regulations’”) in the Period One report, and determine if these can and should be streamlined. Please provide ORR with a status update and timeline.
- DLT identified at least one of the five suggested small business accommodations for at least one of its regulations. Please provide ORR with a status update and timeline on these accommodations.
- DLT did not submit complete, quantified costs of establishing and enforcing these regulations. Review Recommendation Area #8 (“Support Improved Cost-Benefit Analysis”) in both the Period One and Two reports, and work to quantify this key regulatory impact. Contact ORR for assistance.
- DLT did not directly contact small businesses in preparing the EIS form (would not typically include public hearings). Entities that did so were better equipped to quantify impact data. Review Recommendation Areas #7 (“Promote Lawmaker and Small Business Participation in Reform”) and #8 (“Support Improved Cost-Benefit Analysis”) in both the Period One and Two reports, and seek out small business input. ORR can facilitate connections to relevant business organizations.
- Regulations should be clear and understood by those they regulate. Review Recommendation Area #3 (“Improve Accessibility to Regulations”) in the ORR Period One report. Use Microsoft Word’s readability statistics to evaluate and improve the readability of DLT’s regulatory language.

Note: Determination of licensing fees in relation to small business impact calculation: Some regulators considered licensing to be the responsibility of the employee, while others considered it to be a small business cost. For consistency, ORR determined that professional licenses are issued to individuals, (and thus are not included in the small business impact calculation), whereas trade licenses are the responsibility of business (and thus are included in the small business impact calculation). Although there may be exceptions to this rule, EIS data supports this determination.

DLT’S IMPACT ON SMALL BUSINESS: PERIOD TWO, DETAIL

Impact on Specific Sectors

Impacting Regulation’s ERLID #	NAICS Small Business Sector(s) Impacted (title of regulation in parentheses)	Entity Estimate of Number of Rhode Island Small Businesses
RECEIVED IN PERIOD ONE		
758	Construction (Board of Safety Awareness)	3,675 contractors that bid or work on municipal and state contracts where the project cost is \$100,000 or more
1650	Retail Trade; Transportation and Warehousing (Weights and Measures Rules and Regulations)	319 gasoline stations and 305 grocery stores
1660	Manufacturing (Industrial Homework)	267 jewelry, tools and goods manufacturing businesses
2586	Construction; Retail Trade (Division of Professional Regulation/Mechanical)	1099 general contractors; 446 in the following businesses: piping installation, refrigeration and air condition installation and repair, fire sprinkler fitter, and decorative heating appliance contractors; 523 sheet metal work installation and handling; and 319 gas stations

Except as previously noted, these tables are based on entity economic impact statements.

DLT'S IMPACT ON SMALL BUSINESS: PERIOD TWO, DETAIL (CONTINUED)		
Impact on Specific Sectors (continued)		
Impacting Regulation's ERLID #	NAICS Small Business Sector(s) Impacted (title of regulation in parentheses)	Entity Estimate of Number of Rhode Island Small Businesses
RECEIVED IN PERIOD ONE (CONTINUED)		
2808	Construction (Board of Examination of Telecommunication Systems Contractors, Technicians, and Installers)	1,099 general contractors and 391 telecommunications and electrical contractors
2916	Construction (Division of Professional Regulations – Rules and Regulations)	3,675 in all construction trades
2919	Construction (Rules and Regulations for Plumbers and Irrigators)	1,633 contractors that bid or work on municipal and state contracts where the project cost is \$100,000 or more
2950	Transportation and Warehouse; Mining, Quarrying and Oil and Gas Extraction (Rules and Regulations Pertaining to the Testing and Sealing of Oil Delivery Trucks)	124 oil and fuel delivery and dealer companies and oil and fuel tank repair companies
2966	Health Care and Social Assistance (Rules and Regulations for Certification of Rehabilitation Counselors)	2,310 health care businesses and firms offering vocational rehabilitative services
3726	Health Care and Social Assistance (Rules and Regulations for Palliative Care)	2,270 health care industry medical doctors, physical therapists, chiropractors, and other professionals who receive or provide medical care to injured employees
3730	Construction (Notice of Designation as Independent Contractor)	3,675 construction and building industries (builders, contractors, carpenters, all other home improvement industry personnel)
3994	Manufacturing; Wholesale Trade; Information, Real Estate and Rental and Leasing; Professional, Scientific and Technical Services; Management of Companies and Enterprises; Administrative and Support and Waste Management and Remediation Services; Educational Services; Health Care and Social Assistance; Other Services (RI 10% Investment Tax Credit Certification)	Manufacturing (1720) Wholesale Trade (2430) Information (431) Real Estate and Rental and Leasing (851) Professional, Scientific and Technical Services (4,046) Management of Companies and Enterprises (229) Administrative and Support and Waste Management and Remediation Services (2271) Educational Services (449) Health Care and Social Assistance (2260) Other Services (945)

Except as previously noted, these tables are based on entity economic impact statements.

DLT'S IMPACT ON SMALL BUSINESS: PERIOD TWO, DETAIL (CONTINUED)		
Impact on Specific Sectors (continued)		
Impacting Regulation's ERLID #	NAICS Small Business Sector(s) Impacted (title of regulation in parentheses)	Entity Estimate of Number of Rhode Island Small Businesses
RECEIVED IN PERIOD ONE (CONTINUED)		
4003	Agriculture, Forestry, Fishing & Hunting; Mining, Quarrying, and Oil and Gas Extraction; Utilities; Construction; Manufacturing; Wholesale Trade; Retail Trade; Transportation and Warehousing; Information; Finance and Insurance; Real Estate and Rental and Leasing; Professional, Scientific and Technical Services; Management of Companies and Enterprises; Administrative and Support and Waste Management and Remediation Services; Educational Services; Health Care and Social Assistance; Arts, Entertainment and Recreation; Accommodation and Food Services; Other Services (Regulations for the Application and Administration of Certification for Jobs Training Tax Credits)	Agriculture, Forestry, Fishing & Hunting (165) Mining, Quarrying, and Oil and Gas Extraction (18) Utilities (34) Construction (3,675) Manufacturing (1,721) Wholesale Trade (2,949) Retail Trade (3,805) Transportation and Warehousing (682) Information (738) Finance and Insurance (1,514) Real Estate and Rental and Leasing (1,059) Professional, Scientific and Technical Services (4,178) Management of Companies and Enterprises (244) Administrative and Support and Waste Management and Remediation Services (2,417) Educational Services (539) Health Care and Social Assistance (3,140) Arts, Entertainment and Recreation (539) Accommodation and Food Services (2,933) Other Services(3,739) Unclassified (166)
5178	Construction (Board of Examiners Electricians)	1,000 general and electrical contractors
5338	Health Care and Social Assistance (Healthcare Facilities Staffing)	3 Private Hospitals

Except as previously noted, these tables are based on entity economic impact statements.

DLT'S IMPACT ON SMALL BUSINESS: PERIOD TWO, DETAIL (CONTINUED)		
Impact on Specific Sectors (continued)		
Impacting Regulation's ERLID #	NAICS Small Business Sector(s) Impacted (title of regulation in parentheses)	Entity Estimate of Number of Rhode Island Small Businesses
RECEIVED IN PERIOD ONE (CONTINUED)		
5355	Agriculture, Forestry, Fishing & Hunting; Mining, Quarrying, and Oil and Gas Extraction; Utilities; Construction; Manufacturing; Wholesale Trade; Retail Trade; Transportation and Warehousing; Information; Real Estate and Rental and Leasing; Professional, Scientific and Technical Services; Management of Companies and Enterprises; Administrative and Support and Waste Management and Remediation Services; Educational Services; Health Care and Social Assistance; Accommodation and Food Services; Other Services (Rules of Procedure – Board of Review)	Agriculture, Forestry, Fishing & Hunting (165), Mining, Quarrying, and Oil and Gas Extraction (18) Utilities (1) Construction (3,675) Manufacturing (1,716) Wholesale Trade (2,949) Retail Trade (3,803) Transportation and Warehousing (678) Information (734) Real Estate and Rental and Leasing (1,055) Professional, Scientific and Technical Services (4,058) Management of Companies and Enterprises (229) Administrative and Support and Waste Management and Remediation Services (2,416) Educational Services (459) Health Care and Social Assistance (2,823) Accommodation and Food Services (2,928) Other Services (3,734)
5444	Construction (Alarm Agents and Alarm Businesses)	18 burglar alarm sales combined with installation, repair, or monitoring services
5528	Construction (Examining and Licensing of Hoisting Engineers)	1,281 building and residential construction; heavy and highway construction
5714	Health Care and Social Assistance (2011 Rhode Island Workers' Compensation Medical Fee Schedule)	2,270 in the healthcare industry: physicians, hospitals, chiropractors, physical therapists, nurses, anesthesiologists
5767	Health Care and Social Assistance (Physicians Notice of Release to Work DWC-27/28)	1,398 in the healthcare industry: physicians, chiropractors, osteopaths

Except as previously noted, these tables are based on entity economic impact statements.

DLT'S IMPACT ON SMALL BUSINESS: PERIOD TWO, DETAIL (CONTINUED)		
Impact on Specific Sectors (continued)		
Impacting Regulation's ERLID #	NAICS Small Business Sector(s) Impacted (title of regulation in parentheses)	Entity Estimate of Number of Rhode Island Small Businesses
RECEIVED IN PERIOD ONE (CONTINUED)		
5775	Agriculture, Forestry, Fishing and Hunting; Mining, Quarrying, and Oil and Gas Extraction; Utilities; Construction; Manufacturing; Wholesale Trade; Retail Trade; Transportation and Warehousing; Information; Finance and Insurance; Real Estate and Rental and Leasing; Professional, Scientific and Technical Services; Management of Companies and Enterprises; Administrative and Support and Waste Management and Remediation Services; Educational Services; Health Care and Social Assistance; Arts, Entertainment and Recreation; Accommodation and Food Services; Other Services; Public Administration (Employer's First Report of Alleged Occupational Injury or Disease DWC-01)	31,607 businesses which employ one or more employee
6212	Construction; Information (Rules and regulations for the Registration of Apprenticeship Programs)	3,675 in construction and 958 in information technology
6664	Agriculture, Forestry, Fishing & Hunting; Mining, Quarrying, and Oil and Gas Extraction; Utilities; Construction; Manufacturing; Wholesale Trade;; Retail Trade, Transportation and Warehousing; Information; Finance and Insurance; Real Estate and Rental and Leasing; Professional, Scientific and Technical Services; Management of Companies and Enterprises; Administrative and Support and Waste Management and Remediation Services; Educational Services; Health Care and Social Assistance; Arts, Entertainment and Recreation; Accommodation and Food Services; Other Services; Public Administration (Boiler and Pressure Vessel Inspection)	31,067 in all industries

Except as previously noted, these tables are based on entity economic impact statements.

DLT'S IMPACT ON SMALL BUSINESS: PERIOD TWO, DETAIL (CONTINUED)		
Impact on Specific Sectors (continued)		
Impacting Regulation's ERLID #	NAICS Small Business Sector(s) Impacted (title of regulation in parentheses)	Entity Estimate of Number of Rhode Island Small Businesses
RECEIVED IN PERIOD ONE (CONTINUED)		
6974	Agriculture, Forestry, Fishing & Hunting; Mining, Quarrying, and Oil and Gas Extraction; Utilities; Construction; Manufacturing; Wholesale Trade; Retail Trade; Transportation and Warehousing; Information; Real Estate and Rental and Leasing; Professional, Scientific and Technical Services; Management of Companies and Enterprises; Administrative and Support and Waste Management and Remediation Services; Educational Services; Health Care and Social Assistance; Accommodation and Food Services; Other Services (Unemployment and Temporary Disability Insurance Rules)	Agriculture, Forestry, Fishing & Hunting (165) Mining, Quarrying, and Oil and Gas Extraction (18) Utilities (1) Construction (3,675), Manufacturing (1,716) Wholesale Trade (2,949) Retail Trade (3,803) Transportation and Warehousing (678) Information (734) Real Estate and Rental and Leasing (1,055) Professional, Scientific and Technical Services (4,058) Management of Companies and Enterprises (229) Administrative and Support and Waste Management and Remediation Services (2,416) Educational Services (459) Health Care and Social Assistance (2,823) Accommodation and Food Services (2,928) Other Services (3,734) Unclassified (165)
7107	Construction (Rules and Regulations Pertaining to Prevailing Wages)	3,675 construction contractors and subcontractors working on public works contracts for \$1,000 or more
General Impacts		
Impacting Regulation's ERLID #	Types of Businesses Impacted	Entity Estimate of Number of Rhode Island Small Businesses
RECEIVED IN PERIOD ONE		
750	Any business which hires leased employees from employment agencies or temporary employment companies (Emergency Workers Compensation Regarding Employee Leasing and Workers Compensation Insurance)	489 employment/ temporary employment firms; 4,668 small businesses that lease employees each year (based upon DLT estimate of 15% of small businesses that lease employees)
1661	All business with >50 employees (Parental and Family Medical Leave Act)	2,958

Except as previously noted, these tables are based on entity economic impact statements.

DLT'S IMPACT ON SMALL BUSINESS: PERIOD TWO, DETAIL (CONTINUED)		
General Impacts (continued)		
Impacting Regulation's ERLID #	Types of Businesses Impacted	Entity Estimate of Number of Rhode Island Small Businesses
RECEIVED IN PERIOD ONE (CONTINUED)		
1662	All Rhode Island businesses that pay employee wages (Payment of Wages)	32,742 in all industries
1663	All Rhode Island businesses with employees who work on Sundays or holidays (Work Permit Law)	32,742 in all industries
2858	Any business not obtaining workers' compensation insurance (Workers Compensation Rules Pursuant to 28-36-15 - Lack of Insurance)	Any of the 31,607 businesses who fail to obtain Workers' Compensation Insurance
3725	Any business which has an employee who retires and is receiving pension benefits who is also entitled to workers' compensation indemnity benefits (Rules and Regulations for Coordination of Benefits)	31,067 (however, only 6,000 individuals can be eligible for Workers' Compensation indemnity benefits each year)
6034	All businesses except for accounting, dentist, attorneys, fueling operators service T.F. Green, manufacturers of monoclonal antibodies, car rental services serving T.F. Green, limousine and taxi-cab companies that operate 7/24, agriculture, maritime, health care, retail, restaurants, hotels, motels, summer camp resorts, recreational facilities, pharmacies, and offshore petroleum exploration and extraction, extraction companies, and telemarketing companies (Exemptions for Work on Holidays and Sundays)	21,374 (all small businesses except for accounting, dentists, attorneys, fueling operators serving T.F. Green, manufacturers of monoclonal antibodies, car rental services serving T.F. Green, limousine and taxi-cab companies that operate 7 days per week and 24 hours per day, agriculture, maritime, health care, retail, restaurants, hotel, motels, summer camp resorts, recreational facilities, pharmacies, and offshore petroleum exploration and extraction companies, and telemarketing companies)
6713	All businesses and building owners that are responsible for the operation and inspection of their elevator device (Elevator Safety Code)	3,056 elevator service companies and businesses that own elevators

Except as previously noted, these tables are based on entity economic impact statements.

APPENDIX B: Common Acronyms Used In This Report

GENERAL ACRONYMS

APA – Rhode Island Administrative Procedures Act
APRA – Rhode Island Access to Public Records Act
ERLID – Electronic Record Locator Identification number
NAICS – North American Industry Classification System
PDCA – Plan, Do, Check, Act
RFP – Request for Proposal
RIGL – Rhode Island General Law
RIMFC – Rhode Island Marine Fisheries Council

STATE ENTITY ACRONYMS

BHDDH – Rhode Island Department of Behavioral Healthcare, Developmental Disabilities and Hospitals
CRMC – Rhode Island Coastal Resources Management Council
DBR – Rhode Island Department of Business Regulation
DEA – Rhode Island Division of Elderly Affairs
DEM – Rhode Island Department of Environmental Management
DOA – Rhode Island Department of Administration
DOE – Rhode Island Department of Education
DPS – Rhode Island Department of Public Safety
OMB – Rhode Island Office of Management and Budget
ORR – Rhode Island Office of Regulatory Reform
RIRRC – Rhode Island Resource Recovery Center
RISLA – Rhode Island Student Loan Authority
SOS – Rhode Island Office of the Secretary of State

APPENDIX C: Rhode Island General Law § 42-35.1-3

TITLE 42 State Affairs and Government

CHAPTER 42-35.1 Small Business Regulatory Fairness in Administrative Procedures

SECTION 42-35.1-3

§ 42-35.1-3 Economic Impact statements. – (a) Prior to the adoption of any proposed regulation that may have an adverse impact on small businesses, with the exception of emergency regulations adopted in accordance with subsection 42-35-3(b) and excluding those businesses defined in subsection (c) of this section, each agency shall prepare, in conjunction with assistance and oversight from the office of regulatory reform and in congruence with the analysis required in subsection (b) of this section, an economic impact statement that includes the following:

- (1) An identification and estimate of the number of the small businesses subject to the proposed regulation;
- (2) The projected reporting, recordkeeping, and other administrative costs required for compliance with the proposed regulation, including the type of professional skills necessary for preparation of the report or record;
- (3) A statement of the effect or probable effect on impacted small businesses;
- (4) A description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation.

(b) The economic impact statement required herein shall be published in guide form as well as posted on the department of administration and the office of management and budget websites. The guide should be published and/or posted on or around the same date as the regulation change and shall include a description of actions need by the small business to meet the requirement of the regulation. The office of regulatory reform shall develop criteria for the economic impact statement.

(c) The following professional and business activities shall not be considered a small business for purposes of this section:

- (1) Financial institutions including banks, trusts, savings and loan associations, thrift institutions, consumer and industrial finance companies, credit unions, mortgage and investment bankers and stock and bond brokers;
- (2) Insurance companies, both stock and mutual;
- (3) Mineral, oil and gas brokers;
- (4) Subdividers and developers;
- (5) Landscape architects, architects and building designers;
- (6) Entities organized as nonprofit institutions;
- (7) Entertainment activities and productions including motion pictures, stage performances, television and radio stations and production companies;
- (8) All utilities, water companies and power transmission companies, except electrical power generating transmission companies providing less than four and one-half (4.5) kilowatts; and
- (9) All petroleum and natural gas producers, refiners and pipelines.

History of Section.

(P.L. 2009, ch. 229, § 1; P.L. 2009, ch. 230, § 1; P.L. 2012, ch. 89, § 2; P.L. 2012, ch. 120, § 2; P.L. 2012, ch. 445, § 1.)

APPENDIX D: Economic Impact Statement Form

Economic Impact Statement Template for Existing Regulations

Guidance for Determining How Many Small Businesses will be Impacted by the Proposed Regulation

The U.S. Small Business Administration (SBA) defines small businesses according to size standards which are matched to the North American Industry Classification Systems (NAICS). The SBA table of small business size standards can be found at the following URL: <http://www.sba.gov/content/table-small-business-size-standards>. The SBA defines a small business differently depending on the industrial classification using either employee number or annual revenue. Because staff will most likely not have access to annual revenue data, small businesses should be considered to have an employee size of NO MORE THAN:

- 100 for Wholesale Trade (Sector 42);
 - 200 for Retail Trade (Sector 44-45); and
 - A small business is defined as one with fewer than 500 employees
- **Step 1: Identify Business Sectors to be Impacted:** Staff developing the regulation should generate a list of the business sectors (using the 6-digit NAICS codes) which their program thinks will be impacted by the regulation.
 - For the most current list of NAICS codes with definitions:
http://www.census.gov/eos/www/naics/2007NAICS/2007_Definition_File.pdf
 - **Step 2: Determine the Number of Small Businesses in Each Sector:** Once there is a list of 6-digit NAICS codes that are expected to be impacted by the regulation, determine the *number* of small businesses in Rhode Island with those NAICS codes by going to the SBA's online searchable database of self-certified small businesses:
http://dsbs.sba.gov/dsbs/search/dsp_dsbs.cfm

Once at the SBA "Dynamic Small Business Search" page:

- i) In the first section ("Location of Firm"), scroll down to highlight Rhode Island. (Leave all other selections [congressional district, county, etc.] blank.)
- ii) Leave the "Government Certifications" selections as "Not Required" (this should be the default setting).
- iii) Leave the "Ownership and Self-Certifications" selections blank.
- iv) In "Specific Nature of Business," enter the 6-digit NAICS code(s) from step one above.
- v) Leave the next four sections blank (General Nature of Business; Profile Last Updated; Maximum Acceptable Bonding Levels; and Quality Assurance Standards).
- vi) In the "Size" section, select "No More Than" and enter 500 employees (leave "Annual Revenue" blank).
- vii) Do not make any entries under "Capabilities" or "Searching for a Specific Profile."

- viii) Under “Search Results Display Options” select the number of results you want to be shown (e.g. 500), and leave the columns to be displayed and tabular format at the default setting.
- ix) At the bottom of the screen, click on “Search Using These Criteria.”
- x) The number of firms displayed in your results table is the number of small businesses to be impacted by this regulation for the NAICS codes selected.

Note: In some cases, staff will already have a list of businesses in RI that are projected to be impacted because the industry is currently regulated by an existing regulatory program and the information is collected in an existing database. Staff should determine whether this method will yield a more accurate list of small businesses to be impacted as opposed to searching the SBA database by NAICS code.

SMALL BUSINESS IMPACT STATEMENT

In order to accurately predict the impact the adoption, amendment, or repeal of a regulation will have on small businesses, the promulgating authority must conduct a thorough analysis that not only considers the potential effects of the action but also quantifies the costs, if any, associated with each. The questions below are designed to aid promulgating authorities in conducting their analysis.

Agency submitting regulation:

Subject matter of regulation:

ERLID Number:

Statutory authority:

Other agencies affected:

Other regulations that may duplicate or conflict with the regulation:

Describe the scope and objectives of the regulation:

What was the rationale for establishing this regulation?

Does the rationale still exist?

Is the rationale still relevant?

Business industry(ies) affected by the regulation:

Types of businesses included in the industry(ies):

Total number of small businesses included in the regulated industry(ies) *Please see the attached guidance documents for assistance determining the total number of small businesses:*

Number of small businesses potentially subject to the proposed regulation:

How often do small businesses contact your agency for assistance with clarification of the regulation and/or receive assistance with compliance issues?

What is the cost to your agency of establishing and enforcing this regulation?

What would the consequences be if the regulation did not exist?

Effective date used in cost estimate:

	Yes	No	<i>*Note: For each question, please answer “yes” or “no” and offer a brief explanation. Please describe any facts, data, views, arguments, or other input from small businesses, organizations or any other sources that were used to quantify the impacts outlined below.</i>
1.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Do small businesses have to create, file, or issue additional reports?
2.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Do small businesses have to implement additional recordkeeping procedures?
3.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Do small businesses have to provide additional administrative oversight?
4.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Do small businesses have to hire additional employees in order to comply with the proposed regulation?
5.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Does compliance with the regulation require small businesses to hire other professionals (e.g. a lawyer, accountant, engineer, etc.)?
6.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Does the regulation require small businesses to purchase a product or make any other capital investments in order to comply with the regulation?
7.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Are performance standards more appropriate than design standards?
8.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Does the regulation require small businesses to cooperate with audits, inspections, or other regulatory enforcement activities?

9.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Does the regulation have the effect of creating additional taxes and/or fees for small businesses?
10.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Does the regulation require small businesses to provide educational services to keep up to date with regulatory requirements?
11.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Is the regulation likely to <i>deter</i> the formation of small businesses in RI?
12.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Is the regulation likely to <i>encourage</i> the formation of small businesses in RI?
13.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Can the regulation provide for less stringent compliance or reporting requirements for small businesses?
14.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Can the regulation establish less stringent schedules or deadlines for compliance or reporting requirements for small businesses?
15.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Can the compliance or reporting requirements be consolidated or simplified for small businesses?
16.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Can performance standards for small businesses replace design or operational standards?
17.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Are there alternative regulatory methods that would minimize the adverse impact on small businesses?
18.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Have any small businesses or small business organizations been contacted during the preparation of this document? If so, please describe.

APPENDIX E: Major Categories of the North American Industry Classification System (NAICS)

NAICS codes are used throughout the ORR review process, as they are the industry standard for classifying “revenue-producing business activity.” Below are the primary categories, along with certain subcategories that may not be self-explanatory, or categories that include several disparate subgroups. See www.naics.com for more information.

- **Agriculture, Forestry, Fishing and Hunting**
- **Mining, Quarrying, and Oil and Gas Extraction**
- **Utilities**
- **Construction**
- **Manufacturing:** includes food, beverage, and tobacco product manufacturing
- **Wholesale Trade**
- **Retail Trade**
- **Transportation and Warehousing**
- **Information:** includes publishing, film/video/broadcast production and distribution, telecommunications, data processing, libraries, and internet publishing/search portals
- **Finance and Insurance**
- **Real Estate and Rental and Leasing:** includes other types of rentals, such as cars, consumer goods, and machinery
- **Professional, Scientific, and Technical Services:** includes legal, accounting, architectural, engineering, design, computer systems, management consulting, research and development, advertising and public relations, photography, veterinary, and similar professional services
- **Management of Companies and Enterprises:** includes management, holding companies, and corporate, subsidiary, and regional managing offices
- **Administrative and Support and Waste Management and Remediation Services:** includes office administration, employment agencies, business support, collection agencies, credit bureaus, travel agencies, investigation and security services, exterminators, landscaping, waste collection, waste treatment and disposal, remediation, and other waste management services
- **Educational Services:** includes all K-12 and post-secondary schools and colleges, technical and trade schools, driving schools, and exam preparation and tutoring
- **Health Care and Social Assistance:** includes day care services
- **Arts, Entertainment, and Recreation:** includes performing arts, spectator sports, museums, amusement parks, gambling, golf courses, and similar recreational facilities
- **Accommodation and Food Services**
- **Other Services (except Public Administration):** includes automotive and equipment repair and maintenance, hair and barber salons, funeral homes, laundry, non-veterinary pet care, photofinishing, parking garages, and religious, civic, advocacy, and professional associations
- **Public Administration**

ENDNOTES

ⁱ <http://www.governor.ri.gov/documents/regulatory/ORR%20Period%20One%20Regulatory%20Look%20Back%20Report%20UPDATED.pdf>

ⁱⁱ <http://www.governor.ri.gov/documents/regulatory/Small%20Business%20Survey%20Report%20-%20FINAL.pdf>