

## SMALL BUSINESS ANALYSIS WORK SHEET

This work sheet is a checklist designed to assist the agency in determining if and how the proposed regulation impacts small businesses. Quantify the numbers of affected small businesses and estimates of costs and benefits to small businesses where possible. State Governmental Article, §2-1505.2, includes the following definitions which are relevant to the analysis:

"Economic Impact Analysis " means an estimate of the cost or the economic benefit to small businesses that may be affected by a regulation proposed by an agency pursuant to Title 10, Subtitle 1 of this Article.

"Small Businesses" means a corporation, partnership, sole proprietorship, or other business entity, including its affiliates, that: (i) is independently owned and operated; (ii) is not dominant in its field; and (iii) employs 50 or fewer full-time employees.

- 1a. Intended Beneficiaries. Who are the intended beneficiaries of the proposed regulation? Are these intended beneficiaries primarily households or businesses?
- 1b. Intended Beneficiaries: Households. If households are the primary intended beneficiaries, will the proposed regulation affect their income or purchasing power such that the volume or patterns of their consumer spending will change? If so, what directions of change would you anticipate? Will these expected spending changes have a disproportionate impact on small businesses? Can you descriptively identify the industries or types of business activities that are impacted?
- 1c. Intended Beneficiaries: Businesses. If businesses are the intended beneficiaries, identify the businesses by industry or by types of business activities. How will businesses be impacted? Are these Maryland establishments disproportionately small businesses? If so how will these Maryland small businesses be affected? Can you identify or estimate the present number of small businesses affected? Can you estimate the present total payroll or total employment of small businesses affected?
- 2a. Other Direct or Indirect Impacts: Adverse. Businesses may not be the intended beneficiaries of the proposed regulation. Instead, the proposed regulation may direct or otherwise cause businesses to incur additional expenses of doing business in Maryland. Does additional work time costs and /or monetary costs in order to comply? Describe how Maryland establishments may be affected. Will Maryland small businesses bear a disproportionate financial burden or suffer non-competitive consequences? Can you estimate the possible number of Maryland small businesses adversely affected? (Note that small business compliance costs in the area of regulation are the sum of out-of-pocket (cash) costs plus time costs --usually expressed as payroll, akin to calculations for fiscal notes. Precise compliance costs may be difficult to estimate, but the general nature of procedures that businesses must accomplish to comply can be described.)
- 2b. Other Direct or Indirect Impacts: Positive. Maryland businesses may positively benefit by means other than in addition to changed consumer spending patterns. How many Maryland businesses will be positively impacted by this initiative? Will Maryland small businesses share proportionately or disproportionately in these gains? Can you estimate the possible number of Maryland small businesses positively affected?
3. Long-Term Impacts. There are instances where the longer run economic impact effects from regulations differ significantly from immediate impacts. For example, regulations may impose immediate burdens on Maryland small businesses to comply, but the overall restructuring of the industry as a consequence of monitoring and compliance may provide offsetting benefits to the affected small businesses in subsequent years. Can you identify any long run economic impact effects on Maryland small businesses that over time (a) may compound or further aggravate the initial economic impacts described above, or (b) may mitigate or offset the initial economic impacts described above?
4. Estimates of Economic Impact. Section 2-1505.2 requires that an agency include estimate, AS APPROPRIATE, directly relating to: (1) cost of providing goods and services; (2) effect on the work force; (3) effect on the cost of housing; (4) efficiency in production and marketing; (5) capital investment, taxation, competition, and economic development; and (6) consumer choice.