

OFFICE OF FISCAL ANALYSIS

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SB-711

AN ACT CONCERNING COVID-19 RELIEF FOR SMALL BUSINESSES AND REQUIRING FEDERAL REGULATORY ANALYSIS FOR PROPOSED STATE REGULATIONS.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 22 \$	FY 23 \$
Department of Revenue Services	GF - Revenue Loss	up to \$250,000	up to \$250,000
Various State Agencies	Various - Potential Cost	See Below	See Below

Note: GF=General Fund; Various=Various

Municipal Impact: None

Explanation

The bill enacts state policy put into place by the Governor's Executive Order 7W that prohibits charging contributing employer's unemployment insurance accounts to reflect benefits paid to a claimant due to partial or total unemployment attributable to the COVID-19 pandemic declared on March 10, 2020. The bill conforms statute to current practice, which shifts the additional costs attributable to the COVID-19 pandemic to all contributing employers.

The bill exempts certain employers from the sales and use tax on purchases of Personal Protective Equipment (PPE). In total, the sales tax exemption on safety apparel is estimated to be \$250,000 annually.

Lastly, the bill expands the scope of regulatory analyses state agencies must conduct. Specifically, for each proposed regulation state agencies must prepare an analysis that identifies (1) each comparable

federal regulation, (2) how it differs from the proposed regulation, (3) any adverse impact of the federal regulation on small businesses, and (4) the extent to which the agency attempted to mitigate the adverse impact. The bill could result in a cost to various agencies associated with requiring small business impact analyses for proposed regulations. Any additional staff costs for each agency is dependent upon the number of regulations filed and time required to complete such analyses.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.