

112TH CONGRESS
1ST SESSION

H. R. 3137

To permit small business concerns operating in the United States to elect to be exempt from certain Federal rules and regulations, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 6, 2011

Mr. GARRETT introduced the following bill; which was referred to the
Committee on Small Business

A BILL

To permit small business concerns operating in the United States to elect to be exempt from certain Federal rules and regulations, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Small Business Free-
5 dom of Commerce Act of 2011”.

6 **SEC. 2. SMALL BUSINESS EXEMPTIONS.**

7 (a) ELECTION.—Notwithstanding any other provision
8 of law, a small business concern operating in the United

1 States may elect to be exempt from any Federal rule or
2 regulation issued on or after January 20, 2009.

3 (b) PROCESS FOR EXEMPTION.—

4 (1) NOTIFICATION OF FEDERAL AGENCY.—To
5 be exempt from a rule or regulation under this sec-
6 tion, the highest ranking official of a small business
7 concern shall provide to the Federal agency that
8 issued such rule or regulation written notice that the
9 small business concern has elected to be exempt
10 from such rule or regulation.

11 (2) TIMING.—A small business concern shall be
12 exempt from a rule or regulation beginning on the
13 date that is 30 days after the date that written no-
14 tice provided by such concern under paragraph (1),
15 with respect to such rule or regulation, is received
16 by the applicable Federal agency.

17 (3) CONFIRMATION OF WRITTEN NOTICE.—Not
18 later than 7 days after receiving a written notice
19 under paragraph (1), the head of the Federal agency
20 that received such notice shall provide to the appli-
21 cable small business concern written confirmation
22 that such notice has been received.

23 (c) NOTIFICATION OF PUBLIC.—A small business
24 concern that is exempt from a Federal rule or regulation
25 under this section shall—

1 (1) label any product of the concern affected by
2 such exemption in a manner that provides notice
3 that the product is no longer subject to such rule or
4 regulation; and

5 (2) include in any communication of the con-
6 cern relating to a product or activity affected by
7 such exemption notice that the product or activity is
8 no longer subject to such rule or regulation.

9 (d) PENALTIES.—A small business concern that fails
10 to satisfy any requirement under this section shall be sub-
11 ject to penalties for noncompliance with an applicable Fed-
12 eral rule or regulation without regard to any election of
13 the small business concern to be exempt from such rule
14 or regulation.

15 (e) LIMITATIONS.—A small business concern may not
16 elect to be exempt under this section from a rule or regula-
17 tion issued by the Department of Defense or the Depart-
18 ment of Homeland Security, if the Secretary of Defense
19 or the Secretary of Homeland Security has determined
20 that such rule or regulation is necessary for the security
21 of the United States.

22 (f) DEFINITIONS.—In this section, the following defi-
23 nitions apply:

1 (1) FEDERAL AGENCY.—The term “Federal
2 agency” means any department, agency, or inde-
3 pendent establishment of the Federal Government.

4 (2) SMALL BUSINESS CONCERN.—The term
5 “small business concern” has the meaning given
6 such term in section 3(a) of the Small Business Act
7 (15 U.S.C. 632(a)).

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