

AMENDED IN ASSEMBLY MAY 28, 2015

AMENDED IN ASSEMBLY APRIL 13, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 866

Introduced by Assembly Member Eduardo Garcia

February 26, 2015

An act to amend Sections 12096.3, 12098.3, and 12098.4 of the Government Code, relating to economic development.

LEGISLATIVE COUNSEL'S DIGEST

AB 866, as amended, Eduardo Garcia. Economic development: small business.

Existing law establishes the Governor's Office of Business and Economic Development, also known as GO-Biz, to serve the Governor as the lead entity for economic strategy and the marketing of California on issues relating to business development, private sector investment, and economic growth. Existing law authorizes GO-Biz to, among other things, support small businesses by providing information about accessing capital. Existing law establishes the Office of Small Business Advocate, within GO-Biz. Existing law establishes the duties and functions of the Director of the Office of Small Business Advocate, also known as the advocate. Those duties include, among other things, representing the views and interests of small businesses before other state agencies whose policies and activities may affect small businesses. Under existing law, each agency of the state is required to furnish to the advocate reports, documents, and information that are public records and that the advocate deems necessary to carry out his or her functions.

This bill would additionally authorize GO-Biz to support small businesses by providing information about technical assistance. The bill would expand the duties of the advocate to include ~~providing information to rulemaking agencies regarding the number and size of businesses which may be affected by a proposed new or amended regulation, as specified.~~ *sharing with a rulemaking agency the contact information for small business organizations, to the extent that information is available and requested.* The bill would additionally require each agency that develops a small entity compliance guide, as specified, to notify the advocate within 45 days after the guide becomes available to the public, and to include in that notice information on how a small business can obtain a copy of the small business compliance guide. The bill would also make various findings and declarations regarding small businesses.

Vote: majority. Appropriation: no. Fiscal committee: yes.
 State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. This act shall be known as the Small Business
- 2 Regulatory Enforcement Fairness Act of 2015.
- 3 SEC. 2. (a) The Legislature finds and declares all of the
- 4 following:
- 5 (1) A vibrant and growing small business sector is critical to
- 6 creating jobs in a dynamic economy.
- 7 (2) In California, 62 percent of all firms have fewer than five
- 8 employees and 98 percent of all firms have fewer than 100
- 9 employees and account for 36 percent of all jobs in the state.
- 10 (3) While California small businesses create jobs and anchor
- 11 the state’s economy, research shows that they bear a
- 12 disproportionate share of regulatory costs and burdens.
- 13 (4) Changes are needed in the regulatory and enforcement
- 14 culture of state agencies in order to help agencies be more
- 15 responsive to the implementation challenges of small businesses
- 16 without compromising statutory missions of the agencies.
- 17 (b) The Legislature further declares that the purpose of this act
- 18 is to do all of the following:
- 19 (1) Encourage the effective participation of small businesses in
- 20 the state regulatory process.

1 (2) Develop more accessible sources of information on
2 regulatory reporting requirements for small businesses.

3 (3) Create a more cooperative regulatory environment among
4 agencies and small businesses that is less punitive and more
5 solution oriented.

6 (4) Make state regulators more accountable for their enforcement
7 actions by providing small businesses and nonprofit organizations
8 with meaningful opportunities for redress of excessive enforcement
9 activities.

10 SEC. 3. Section 12096.3 of the Government Code is amended
11 to read:

12 12096.3. The office shall serve the Governor as the lead entity
13 for economic strategy and the marketing of California on issues
14 relating to business development, private sector investment, and
15 economic growth. In this capacity, the office may:

16 (a) Recommend to the Governor and the Legislature new state
17 policies, programs, and actions, or amendments to existing
18 programs, advance statewide economic goals and respond to
19 emerging economic problems and opportunities, and ensure that
20 all state policies and programs conform to the adopted state
21 economic and business development goals.

22 (b) Coordinate the development of policies and criteria to ensure
23 that federal grants administered or directly expended by state
24 government advance statewide economic goals and objectives.

25 (c) Market the business and investment opportunities available
26 in California by working in partnership with local, regional, federal,
27 and other state public and private institutions to encourage business
28 development and investment in the state.

29 (d) Provide, including, but not limited to, all of the following:

30 (1) Economic and demographic data.

31 (2) Financial information to help link businesses with state and
32 local public and private programs.

33 (3) Workforce information, including, but not limited to, labor
34 availability, training, and education programs.

35 (4) Transportation and infrastructure information.

36 (5) Assistance in obtaining state and local permits.

37 (6) Information on tax credits and other incentives.

38 (7) Permitting, siting, and other regulatory information pertinent
39 to business operations in the state.

1 (e) Establish a well-advertised telephone number, an interactive
2 Internet Web site, and an administrative structure that effectively
3 supports the facilitation of business development and investment
4 in the state.

5 (f) Encourage collaboration among research institutions, startup
6 companies, local governments, venture capitalists, and economic
7 development agencies to promote innovation.

8 (g) In cooperation with the federal government, foster
9 relationships with overseas entities to improve the state's image
10 as a destination for business investment and expansion.

11 (h) Conduct research on the state's business climate, including,
12 but not limited to, research on how the state can remain on the
13 leading edge of innovation and emerging sectors.

14 (i) Support small businesses by providing information about
15 accessing capital, technical assistance, and complying with
16 regulations, and by supporting state initiatives that support small
17 business.

18 SEC. 4. Section 12098.3 of the Government Code is amended
19 to read:

20 12098.3. (a) The Director of the Office of Small Business
21 Advocate shall be appointed by, and shall serve at the pleasure of,
22 the Governor.

23 (b) The Governor shall appoint the employees who are needed
24 to accomplish the purposes of this article.

25 (c) The duties and functions of the advocate shall include all of
26 the following:

27 (1) Serve as the principal advocate in the state on behalf of small
28 businesses, including, but not limited to, advisory participation in
29 the consideration of all legislation and administrative regulations
30 that affect small businesses, and advocacy on state policy and
31 programs related to small businesses on disaster preparedness and
32 recovery including providing technical assistance.

33 (2) Represent the views and interests of small businesses before
34 other state agencies whose policies and activities may affect small
35 business. *To the extent information is available and requested,*
36 *share with a rulemaking agency the contact information for small*
37 *business organizations, which the rulemaking agency may want*
38 *to include when disseminating public information about a proposed*
39 *new rule or amendment.*

1 (3) Enlist the cooperation and assistance of public and private
2 agencies, businesses, and other organizations in disseminating
3 information about the programs and services provided by state
4 government that are of benefit to small businesses, and information
5 on how small businesses can participate in, or make use of, those
6 programs and services.

7 (4) Consult with experts and authorities in the fields of small
8 business investment, venture capital investment, and commercial
9 banking and other comparable financial institutions involved in
10 the financing of business, and with individuals with regulatory,
11 legal, economic, or financial expertise, including members of the
12 academic community, and individuals who generally represent the
13 public interest.

14 (5) Seek the assistance and cooperation of all state agencies and
15 departments providing services to, or affecting, small business,
16 including the small business liaison designated pursuant to Section
17 14846, to ensure coordination of state efforts.

18 (6) Receive and respond to complaints from small businesses
19 concerning the actions of state agencies and the operative effects
20 of state laws and regulations adversely affecting those businesses.

21 ~~(7) Provide information to rulemaking agencies on the aggregate
22 numbers and size of businesses which may be affected by a
23 proposed new or amended regulation, including, to the extent
24 information is available, identification of small business
25 stakeholder groups which the rulemaking agency may want to
26 include when disseminating public information about the proposed
27 new rule or amendment.~~

28 ~~(8)~~

29 (7) Counsel small businesses on how to resolve questions and
30 problems concerning the relationship of small business to state
31 government.

32 ~~(9)~~

33 (8) Maintain, publicize, and distribute an annual list of persons
34 serving as small business ombudsmen throughout state government.

35 SEC. 5. Section 12098.4 of the Government Code is amended
36 to read:

37 12098.4. (a) Each agency of the state shall furnish to the
38 advocate the reports, documents, and information that are public
39 records and that the director deems necessary to carry out his or
40 her functions under this chapter.

1 (b) Each agency that develops a small entity compliance guide
2 to assist small businesses and nonprofit organizations in complying
3 with regulations in collaboration with a federal agency pursuant
4 to the federal Small Business Regulatory Fairness Act of 1996
5 (Public Law 104-121) shall notify the advocate within 45 days
6 after the guide becomes available to the public. The notice to the
7 advocate shall include information on how a small business or
8 nonprofit organization can obtain a copy of the small business
9 compliance guide.

10 (c) The advocate shall prepare and submit a written annual report
11 to the Governor and to the Legislature that describes the activities
12 and recommendations of the office, including an evaluation of the
13 efforts of state agencies and, where appropriate, specific
14 departments, that significantly regulate small businesses to assist
15 minority and other small business enterprises, and making
16 recommendations that may be appropriate to assist the development
17 and strengthening of minority and other small business enterprises.

18 (d) The advocate may establish a centralized interactive
19 telephone referral system and Internet Web site to assist small and
20 minority businesses in their operations, including governmental
21 requirements, such as taxation, accounting, and pollution control,
22 and to provide information concerning the agency from which
23 more specialized assistance may be obtained. The advocate may
24 establish and advertise a telephone number and an Internet Web
25 site address to serve this centralized interactive telephone referral
26 system and Internet Web site.

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