

AMENDED IN ASSEMBLY APRIL 25, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 541

**Introduced by ~~Assembly Member Morrell~~ Assembly Members
Morrell and V. Manuel Pérez
(Coauthor: Assembly Member Grove)**

February 16, 2011

An act to add Section 14022.2 to the Corporations Code, relating to small business.

LEGISLATIVE COUNSEL'S DIGEST

AB 541, as amended, Morrell. California Small Business Board.

Existing law establishes the California Small Business Board in the Business, Transportation and Housing Agency and specifies its duties, including, but not limited to, advising the Governor, the director, as specified, and the Small Business Advocate regarding issues and programs affecting California's small business community, and holding public hearings in order to carry out the objectives of the agency.

This bill would require the board, until January 1, 2014, as a priority area of focus and deliberation, to review the state's licensing and permitting regulations as they impact small businesses, with special attention to the regulatory impact on small business startups, and would require each state agency to cooperate with the board in that review. The bill would require the board to report a summary of its findings and recommendations to the Governor, the Small Business Advocate, and the Legislature on July 1, 2012, July 1, 2013, and December 31, 2013, as specified.

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

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

SECTION 1. Section 14022.2 is added to the Corporations Code, to read:

14022.2. (a) The Legislature finds and declares that:

(1) One purpose of the board is to provide special advice on issues and programs affecting the state's small business community, as specified in subdivision (e).

(2) In the current recession, small businesses face especially difficult times.

(3) Bankruptcies in the state are reported to have increased by 81 percent compared with the 12-month period from September 2008 through August 2009, and is almost double the nationwide increase of 41 percent.

(b) In order to assist the state in better supporting small business development, the board shall, as a priority area of focus and deliberation, review the impact of licensing and permitting regulations on small businesses. The board should provide special attention to the impact on small business startups.

~~(c) The~~ *In order to address these issues, the board shall undertake its activities pursuant to this section as part of the board's regularly scheduled quarterly meetings and within existing resources.*

(d) The board shall report a summary of its findings and recommendations to the Governor, the Small Business Advocate, and the Legislature on July 1, 2012, July 1, 2013, and December 31, 2013. The report, including recommendations, shall be in sufficient detail as to guide the Governor and the Legislature to take concrete steps to streamline and mitigate the impacts of the state's current regulations described in subdivision (b) in a manner to better support small businesses without diminishing employee rights and health and safety protections.

(e) Each state agency, as defined in Section 11000 of the Government Code, shall cooperate with the board in the board's review of state licensing and permitting regulations and shall respond to all inquiries by the board in a timely manner. The board shall report to the Small Business Advocate any significant challenges the board experiences in obtaining the cooperation and timely responses required by this subdivision.

1 (f) The priority focus of the board on the impact of regulations
2 on small businesses required by this section shall be in effect until
3 January 1, 2014.

4 (g) The reports required by this section shall be made in
5 accordance with Section 9795 of the Government Code.

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