

FILED JAN 29 1990

SENATE FILE 2110
BY HAGERLA

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act establishing the office of small business advocate and
2 providing duties and responsibilities for the advocate.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 2110

1 Section 1. Section 15.108, subsection 7, paragraphs a and
2 b, Code Supplement 1989, are amended by striking the
3 paragraphs.

4 Sec. 2. Section 15.108, subsection 7, paragraph c,
5 subparagraphs (1), (2), and (4), Code Supplement 1989, are
6 amended to read as follows:

7 (1) The director, in conjunction with the director of the
8 department of management and small business advocate, shall
9 publicize the procurement set-aside program to targeted small
10 businesses and to agencies of state government, attempt to
11 locate targeted small businesses able to perform set-aside
12 awards, and encourage program participation. The director may
13 request the cooperation of the department of general services,
14 the department of transportation, the state board of regents,
15 or any other agency of state government in publicizing this
16 program.

17 (2) The director, in conjunction with the director of the
18 department of management and small business advocate, shall
19 publicize the financial assistance program established in
20 section 15.247 to targeted small businesses.

21 (4) The director, in conjunction with the director of the
22 department of management, small business advocate, and jointly
23 with the universities under the jurisdiction of the state
24 board of regents, the area community colleges, and the area
25 vocational schools, shall develop and make available in all
26 areas of the state, programs to offer and deliver
27 concentrated, in-depth advice and services to assist targeted
28 small businesses. The advice and services shall extend to all
29 areas of business management in its practical application,
30 including but not limited to accounting, engineering,
31 drafting, grant writing, obtaining financing, locating bond
32 markets, market analysis, and projections of profit and loss.

33 Sec. 3. Section 15.108, subsection 7, paragraph d, Code
34 Supplement 1989, is amended by striking the paragraph.

35 Sec. 4. Section 15.108, subsection 7, paragraph e, Code

1 Supplement 1989, is amended to read as follows:

2 e. To the extent feasible, cooperate with the department
3 of employment services and small business advocate to
4 establish a program to educate existing employers and new or
5 potential employers on the rates and workings of the state
6 unemployment compensation program and the state workers'
7 compensation program.

8 Sec. 5. Section 15.108, subsection 7, paragraph f, Code
9 Supplement 1989, is amended by striking the paragraph.

10 Sec. 6. NEW SECTION. 15B.1 SMALL BUSINESS ADVOCATE
11 ESTABLISHED.

12 The office of the small business advocate is established.

13 Sec. 7. NEW SECTION. 15B.2 DEFINITIONS.

14 1. "Advocate" means the small business advocate.

15 2. "Agency" means any state agency, commission, or board.

16 3. "Small business" means a small business or targeted
17 small business as defined in section 15.102.

18 Sec. 8. NEW SECTION. 15B.3 SMALL BUSINESS ADVOCATE --
19 APPOINTMENT.

20 A small business advocate shall be appointed to a four-year
21 term by the governor, subject to confirmation by the senate,
22 and shall serve at the pleasure of the governor. The governor
23 shall fill a vacancy in the office in the same manner as the
24 original appointment was made. The small business advocate
25 shall not be selected on the basis of political affiliation
26 and shall not engage in political activity while holding the
27 office. The salary of the small business advocate shall be
28 fixed by the governor within a salary range established by the
29 general assembly.

30 Sec. 9. NEW SECTION. 15B.4 SMALL BUSINESS ADVOCATE --
31 DUTIES.

32 The small business advocate shall do all of the following:

33 1. Study the feasibility of reducing the total number of
34 state licenses, permits, and certificates required to conduct
35 small business.

- 1 2. Receive and review complaints from individual small
2 businesses that relate to rules or decisions of state
3 agencies, and refer questions and complaints to a governmental
4 agency where appropriate.
- 5 3. Establish and administer the regulatory information
6 service provided for in section 28.17.
- 7 4. If determined necessary by the small business advocate,
8 provide training for bank loan officers to increase their
9 level of expertise in regard to business loans.
- 10 5. Facilitate resolution of complaints from small
11 businesses under section 15.108, subsection 7, paragraph "a"
12 through the agency's business assistance officer. However,
13 the advocate may refer complaints to the citizens' aide or the
14 attorney general for further investigation or action if
15 necessary.
- 16 6. Serve as liaison between small businesses and including
17 but not limited to the following programs:
- 18 a. The targeted small linked investments programs created
19 under section 12.43.
- 20 b. The targeted small business procurement program created
21 under sections 73.15 through 73.21.
- 22 c. The small business information center established under
23 section 99E.32, subsection 3, paragraph "d", subparagraph (4).
- 24 d. Business incubators established under section 99E.32,
25 subsection 3, paragraph "d", subparagraph (5).
- 26 7. Consult and advise the three branches of government on
27 issues that directly or indirectly affect small businesses in
28 the state.
- 29 8. Make recommendations to reduce or prevent duplication
30 of services to small businesses by an agency, local
31 government, or nonprofit or other private organization.
- 32 9. Assist the primary research and marketing center for
33 business and international trade established under section
34 28.101.
- 35 10. Work with associations or citizen groups and local,

1 state, or federal agencies that affect small business in
2 improving the small business climate in the state and in
3 encouraging federal and local governmental agencies to
4 simplify and coordinate permit and application forms for
5 projects in the state.

6 11. Provide mediation services to a small business.

7 12. Request a small business regulatory flexibility
8 analysis under section 17A.31.

9 13. Provide information to the public on business activity
10 in the state and the small business advocate's office and
11 services.

12 14. Serve as chairperson of the interagency committee of
13 business assistance officers that coordinates interagency
14 activities affecting small business.

15 15. Employ personnel as necessary to carry out the duties
16 and responsibilities of the small business advocate consistent
17 with the provisions of chapter 19A. Professional employees
18 are exempt from the merit system provisions of chapter 19A.

19 16. Manage the internal operations of the office of the
20 small business advocate, including the purchasing or leasing
21 of equipment or office space, and establish guidelines and
22 procedures to promote the orderly and efficient administration
23 of the office.

24 17. Prepare a budget for the small business advocate and
25 prepare reports as required by law.

26 18. Apply for, administer, and use federal or other funds
27 available for carrying out the purposes of this chapter.

28 Sec. 10. NEW SECTION. 15B.5 ANNUAL REPORT.

29 1. The small business advocate shall annually, no later
30 than November 1, submit to the governor and the general
31 assembly, a report summarizing the state of small business in
32 Iowa.

33 2. The report shall include but is not limited to the
34 following:

35 a. A summary of the work of the small business advocate in

1 administering the advocate's duties and responsibilities.

2 b. Recommendations regarding agency permit programs and
3 recommendations to simplify or consolidate state regulatory
4 activities, permits, inspection, certification, or licensing
5 relating to small business.

6 Sec. 11. NEW SECTION. 15B.6 ADDITIONAL DUTIES.

7 1. The small business advocate shall provide assistance to
8 a small business which raises a complaint regarding an agency
9 or experiences a delay in receiving a permit or license, or
10 other services from an agency.

11 2. A small business may contact the advocate to review or
12 assist in resolving a complaint or delay in service under
13 subsection 1.

14 3. The advocate shall adopt rules pursuant to chapter 17A
15 to administer this chapter.

16 4. An agency shall cooperate in providing information and
17 assistance to the advocate in resolving a complaint or delay
18 in service.

19 Sec. 12. NEW SECTION. 15B.7 BUSINESS ASSISTANCE OFFICER.

20 1. Each agency which provides information, economic or
21 technical assistance, licenses or permits, or other services
22 to small businesses shall appoint a business assistance
23 officer.

24 2. A business assistance officer shall do all of the
25 following:

26 a. Consult with the advocate with regard to regulation and
27 forms management.

28 b. Provide regulatory assistance to small business.

29 c. Resolve small business complaints within the business
30 assistance officer's agency.

31 d. Maintain, at a central location, a current catalog of
32 all types of license, permit, and other regulatory
33 requirements of the agency affecting small business.

34 e. Review agency rules to reduce any adverse economic
35 effect on small business.

1 f. Promptly notify the advocate of any rule change.

2 g. Train agency personnel on how to reduce unnecessary
3 regulatory burdens and solve business complaints.

4 h. Cooperate with the advocate in the exercise of the
5 advocate's duties under this chapter and take administrative
6 action necessary to implement programs developed by the
7 advocate pursuant to this chapter.

8 i. Serve on the interagency committee of business
9 assistance officers that coordinates interagency activities
10 affecting small businesses.

11 j. Submit an annual report by July 1 to the advocate on
12 the regulatory practices of the officer's agency and of the
13 services provided to small businesses by the agency.

14 Sec. 13. NEW SECTION. 15B.8 AGENCY INFORMATION --
15 AVAILABILITY.

16 Except as otherwise provided, each agency shall do all of
17 the following:

18 1. Maintain, at a central location, a current catalog of
19 all types of projects, license, permits, and other regulatory
20 requirements administered by the agency. Specific application
21 forms, applicable agency rules, and the time period necessary
22 for license and permit application consideration, based upon
23 experience and statutory requirement, shall be included in the
24 catalog.

25 2. Provide to a person, upon request, information from the
26 catalog or any application forms used by the agency.

27 3. Provide to the advocate, upon request, information from
28 the catalog, including as many copies of the catalog as the
29 advocate determines is necessary.

30 4. Promptly notify the advocate of any changes in
31 information in the catalog if the advocate has previously
32 requested information concerning the catalog.

33 Sec. 14. NEW SECTION. 17A.34 NOTICE OF LICENSE OR PERMIT
34 APPLICATION.

35 An agency which issues licenses or permits shall adopt

1 rules providing notice of issuance procedures to a person
2 applying for a license or permit in the event the application
3 cannot be processed within two weeks of receipt of the license
4 or permit application by the agency. The notice shall be sent
5 two weeks after receipt of the license or permit application,
6 and shall explain the approximate amount of time necessary to
7 process the application.

8 EXPLANATION

9 This bill establishes a small business advocate appointed
10 by the governor and confirmed by the senate. The small
11 business advocate shall administer the programs which assist
12 small business and shall also act as a liaison between the
13 various small business programs and small business. The
14 advocate will provide information, mediation services, and
15 other assistance to small business and aid in resolution of
16 delays or complaints by small business involving state
17 agencies. The bill provides for an annual report by the
18 advocate.

19 The bill requires each agency which provides any form of
20 assistance to a small business to appoint a business
21 assistance officer to work with the advocate and to provide
22 assistance if necessary.

23 The bill also requires an agency which issues licenses or
24 permits to adopt rules to notify a person if an application
25 cannot be processed within two weeks of receipt of a license
26 or permit application by the agency and explain the
27 approximate time necessary to process the application.

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SENATE FILE 2110
FISCAL NOTE

A fiscal note for Senate File 2110 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 2110 establishes a Small Business Advocate appointed by the Governor and confirmed by the Senate. The Small Business Advocate shall act as a liaison between the various small business programs and small businesses. The Advocate shall provide information, mediation services, and other assistance to small businesses and aid in resolution of delays or complaints by small businesses involving State agencies. The Advocate shall prepare a report of its activities on an annual basis.

The Bill requires each agency providing any kind of small business assistance to appoint a business assistance officer to work with the Small Business Advocate and to provide assistance as needed. The Bill also requires a State agency which issues licenses or permits to adopt rules to notify applicants if an application cannot be processed within two weeks of receipt of a license or permit application by the agency and explain the approximate time necessary to process the application.

ASSUMPTIONS:

1. One Small Business Advocate, three professional FTE positions, two support staff, and office equipment will be needed to start the Program.
2. Permits forms and other descriptive material provided to the Advocate's Office without costs.
3. Each licensing agency will designate an existing person to serve on the Inter-agency Committee.
4. The Advocate's Office will be housed on the Capitol Complex.

FISCAL IMPACT:

	FY 1991	FY 1992
Salaries	\$199,445	\$209,416
Support	81,800	44,000
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TOTAL	\$281,245	\$253,416

Source: Department of Management

(LSB 7554s, KNM)

FEBRUARY 8, 1990

BY DENNIS PROUTY, FISCAL DIRECTOR